THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Vol. XX. 10c. a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, OCTOBER 29, 1926 Member of Audit Bureau of Circulations No. 44

The Nation's Business

Bankers' Manifesto Shows European Trend
Forke on Immigration
Problem is "Colonization"
Making Canada Attractive
Dominion Revenues Higher Than in 1925

THE surprise occasioned throughout the world by publication of the "bankers' manifesto" on European tariffs is but an evidence of the general failure to appreciate the significance of newer tendencies in Europe. The international bankers who signed the manifesto, suggesting levelling of tariff walls between European countries as a step towards continental prosperity, have but given their open recognition to a development that has been going on for some time and that has as its end the establishment of continental commercial unity. Germany is the largest power in this movement. Formation of gigantic steel trusts, coal trusts, and other economic giants, with French and German capital co-operating, is evidence of the growing European solidarity, raising important questions as to Canada's future trade relations with Europe.

The International Chamber of Commerce of Paris has come out in support of the manifesto, saying that the only continent which is enjoying prosperity is the North American continent where tariffs do not exist between states, and that Europe, with absolutely equal chances of prosperity, has twenty-eight frontiers, within each of which frontiers the incessant complaint is being raised by business men that they can not sell their products because of the tariff walls of others.

This report, like the bankers' manifesto, deals exclusively with the injury to commerce of excessive customs barriers erected by every little or big state against every other, accompanied by shifting rates, changing ad valorem duties, red-taped passport visas, and all other excluding difficulties and obstacles placed in the path of trade development between European nations, by the effort of each principality to save its own commerce.

* * *

CANADA has a minister of immigration who admits frankly that he has no immigration policy to offer. But he admits that he has an opportunity before him and no doubt will shape the policy as he more and more gets a grasp on the problem Hon. Robert Forke is the first "full-time" minister of immigration Canada has had in many years. Recently, immigration has been a purely departmental affair, has been badly handled and has, accordingly, been fairly unproductive of results.

Mr. Forke is of the opinion that getting immigrants to-day is a different matter from getting immigrants before the war. With no free land to offer immigrants, other ways have to be adopted to make migration to Canada attractive.

Mr. Forke considers the problem one of colonization rather than immigration. He is opposed to bringing large numbers of people over to shift for themselves.

Mr. Forke's views on immigration, while as yet less definite than they are certain to be when he has studied his problem, are on the whole, sound enough.

* * *

BUT Mr. Forke can not get large immigration for Canada without the establishment of attractive conditions in the country. Fortunately, we are steadily moving to this end. The most effective way to get settlers is to make Canada a place where newcomers can make and save money and enjoy comforts. The main reason why we are not getting settlers to-day is that we lack these essentials to a considerable degree. We lack them chiefly because our taxation is too high; our whole expense of carrying on works of public need and benefit is abnormal. When thousands of our own people find the United States more attractive and offering better opportunities than Canada we can hardly expect to make a strong appeal to Europeans to come here and live.

Mr. Forke's biggest job is to determine what attractions are necessary to draw immigrants and to work with his colleagues to give Canada those attractions by sound government.

* * *

MANITOBA Free Press is quite buoyant in discussing business conditions in Canada. After summing up the various factors in the business situation it concludes:

"It is the opinion of financial leaders and close students of economics that general conditions in Canada will continue good for several years at least. That does not mean that there will be any boom but it means a steady, healthy growth—increase in production all along the line and the normal development which must take place in a country that can provide so much that the world requires. And more business and employ-

(Continued on page 16)

Shipping Man Thinks Welland Canal Will Not Cut Grain Rates

Buffalo Authority Looks to Kingston to Find Prominence

MONTREAL TO BENEFIT

Will be Big Milling Centre of Eastern North America—New Canal Boats to Follow

From Our Own Correspondent.

BUFFALO, N. Y.—Shipping interests in Buffalo are watching with keen interest the progress on the Welland canal.

"What will be the result of a channel which will enable upper lakes vessels of the larger size to get into Lake Ontario?" This question was asked a shipping man who will talk freely to reporters only when he is confident that he will not be identified in print. Suffice to say, he is one of the first three or four shipping men concerned with the Great Lakes trade. He is the practical manager of ane of the largest fleets which combines both the canalers and the 600 footers.

"To be frank with you," he replied, "I don't just know what will be the effect of a canal large enough to send our big boats, and all other big boats, through."

Shipping Men Anxious for Tryout

"It is one of those practical shipping questions difficult to answer in advance," he continued, "but I can tell you that every vessel owner is keenly interested and is eager to see the project brought to completion. Then we can experiment.

"I am satisfied of only one beneficial result as a certainty. The old canal has 27 locks and the new canal will have seven. The present canalers can barely squeeze through, and it costs owners and insurance companies big sums every year for damage to the canal, damage to their own boats and occasional damage to other boats. The new canal ought to avert the greater number of these accidents even if the bulk of the business is continued in the mosquito fleet.

"Then we ought to save time. It takes twelve to eighteen hours to get through now, and I notice that it is estimated that it will be done in eight hours or less in the larger canal."

"That saving ought to help cut the rates a little?" suggested the interviewer.

Expects Little Rate Cut

"It may," agreed the vessel owner, "but I hardly see that rates can be cut a great deal in any event. Except in times of stress or emergency, the rate from Fort William to Montreal, including the trans-shipping cost, is so low, on the average, that I don't expect any material reduction. Of course, the government elevator at Port Colborne is operated at public expense, and that much may be saved the taxpayers. But I cannot foresee that it will be any cheaper to run a big boat as far as Kingston and bring it back light at a lower cost than we now carry grain in the 250-footers. We get coal from Erie, Pa., or Ohio ports on the up trip from Buffalo."

"The Dominion government has spent a lot of money on Toronto harbor," he was reminded. "Do you think that Toronto will benefit from the new canal?

"Not so far as the grain business is concerned. Kingston will be the place. If the government doesn't provide dockage and elevator facilities there, the shippers themselves may be compelled to do so.

"Prescott? No, Kingston, is my choice for an Eastern lake terminal. It has a good harbor now and should be accessible to the largest lake craft. I, for one, would not be in favor of sending the real big steamers into the St. Lawrence river. It is a tortuous channel through the islands, and there are already enough narrow channels between the head of lakes and this end without venturing into another."

This shipping man went on to say that the present type of canaler probably would be turned at Kingston instead of proceeding farther up the lakes, for the same reason that few of these craft now go beyond Port Colborne. With this thought before him, he ventured a prediction that there probably would be a new type of canal craft developed for the trade between Montreal and Kingston. This would be a barge-type operated either under its own power or towed, similar to the barges on the Erie canal. Using only canals and river channels, these craft would not have to be the lake-going type of the vessels now proceeding across Lake Ontario to the Welland canal. They would have a large carrying capacity, proportionate to their size, and an exceedingly low operating cost.

These clear-sighted opinions of a practical shipping man express, in the main, the opinion of other Americans interested in the Great Lakes grain and other carrying trade.

The principal reason that shipping men are a bit dubious of the larger

(Continued on page 23)

What Leading Shipping Man Expects from New Welland Ship Canal

Effect on lake shipping still uncertain

* * *

Will save time and expense to boats

* * *

Reduction in freight rates problematical

* * *

Kingston to rise as lake port

* * *

New type of canal boat to run to Montreal

* * *

Montreal to advance as milling centre

* * *

Interest on investment's canal would pay railway freight charges on all Canadian grain

Penman's Issue to Yield 5.60%

For the first time in many, many years, Canadian investors are now being given an opportunity to purchase a newly issued security of Penman's, Limited, leading knit goods manufacturers of the Dominion.

Bank of Montreal and National City Company, Limited, are offering $2,000,000 5½ per cent. first mortgage 25 year bonds of the company at 98½ per cent. to yield over 5.60 per cent.

The low yield is evidence of the high regard in which Penman's is held by Canadian investors and the anticipated excellent demand for the issue.

Bonds will constitute the only funded debt of the comapny, as present bonds outstanding fall due Nov. 1, date of this issue. First mortgage on assets will secure the issue.

There will be a sinking fund feature to the issue equal to 1 per cent. on outstanding amounts, estimated to be sufficient to retire 50 per cent. of issue by maturity.

Extension of the company's funded debt for another twenty-five years adds approximately $30,000 a year to Penman's fixed charges. There was no sinking fund on the former issue, and interest was ½ per cent. lower.

N.B. TELEPHONE PLANS TO OFFER NEW STOCK

About December 1st Will Offer $200,000 to Present Shareholders of Company

By Staff Editor.

SAINT JOHN, N. B.—About December 1, the New Brunswick Telephone Company will make a new stock issue of some $200,000. The new shares will be offered the present shareholders at par in the ratio of one new share for every fifteen presently outstanding. The stock changes hands at present at around $14 per share; it has a par value of $10. Thus on a $100 par value basis, these securities would change hands at $140—slightly higher than the prevailing price of the shares of the Bell Telephone Company. The latter does not control the New Brunswick Company, but holds a minority stock interest only.

The New Brunswick Telephone Company operates under the jurisdiction of the province of New Brunswick through its board of public utility commissioners. The latter allows the company to earn 8 per cent. on the capital invested. There are several reasons for the strength in the stock not the least of which is the fact that the company has always sponsored a customer ownership policy and a great many telephone users hold the stock; whenever any firm or any individual becomes a large user of the telephone services, the management always endeavors to see to it that the customer is also a stockholder.

Thus the stock is widely held in small blocks which undoubtedly makes for a wider, higher and more stable market price. Moreover, should at any time conditions be such that the company is unable to earn its 8 per cent dividend rate, it can ask for a revision of rates. In the past these revisions have taken place and, as the company has the confidence of the public, there has never been any public clamor on these occasions. To all intents and purposes, the company has no bonded indebtedness; there is one mortgage outstanding against the property, but it is insignificant and negligible.

Huron and Erie on Coast

The Huron & Erie Mortgage Corporation are continuing to extend their activities in the Pacific coast and have recently applied for a charter to carry on business in Victoria, B. C. It is proposed by the company to open a branch there to handle deposits, issue debentures and make mortgage loans. H. W. Givins, the superintendent of western branches, has been moved from Regina and will take up his headquarters in Victoria.

Besco Towns Optimistic; Coal, Rail Orders Large

From Our Own Correspondent

SYDNEY.—In marked contrast to the listlessness, if not actual pessimism, of a few short weeks ago, a strong wave of optimism as to the coal and steel industries is sweeping eastern Nova Scotia, particularly Cape Breton Island.

The distribution of near a million and a half a month in coal wages and salaries has put back-bone into local business and merchants are again ordering freely from manufacturers and jobbers.

On every side are seen preparations for a long period of the same activity that has kept the coal mines working day and night since early last spring.

May Break Banner Record

Up to the end of September, 2,600,000 tons of coal had been raised by the Dominion Company alone, which compares with 2,739,600 brought to the surface by September 30, 1917, which was a banner year. Unless something unforeseen happens it is expected that the 1926 output may exceed that of 1917 at the end of October.

J. E. McLurg, Besco's operating head, speaks most optimistically of the rail outlook, pointing out that the Besco mill is the only one in Canada equipped to turn out the 39 foot rails that are being adopted as a matter of economy by many roads. Reports persist that Besco has heavy rail orders, although nothing official is yet obtainable on this head.

W. U. Appleton, general manager of the Atlantic Region of the C.N.R., states that 100 miles of track in his district has been re-railed during the present season; that is to say, 200 miles of 85 pound rails, or approximately 15,000 tons.

SEEK TO SET UP BUILDING IN LOAN BODIES IN CANADA

Ontario Realtors Still Pursue Legislation to Permit These

The Ontario Association of Real Estate Boards is carrying on its campaign for the passage of legislation to permit the establishment of building and local associations in their province. It is hoped by the real estate men that they will induce the province to permit such associations to be established, along the line of the hundreds of similar organizations in the United States. At the present time, only British Columbia, it is declared, has legislation permitting such companies to operate, and as a result of a recent change in its laws on this matter an American company, the Intermountain Building and Loan Association of Salt Lake City, Utah opened up in Vancouver and is stated to have met with a considerable measure of success.

Inquiries reaching The Financial Post from American sources, as to the status of legislation in Canada in regard to building and loan associations seem to indicate that the passage of such legislation in Ontario and other provinces would lead to much activity by Americans in the establishment of these associations. One recent communication states: "We want to organize a chain of building and loan or savings and loan associations in the near future, and it seems to us that Canada is the most fertile field we know of."

Safeguarding Building Investors

One building and loan officer declares: "British Columbia seems to be an orphan in the family of anti-building and loan legislation. All legislation in the various provinces in this matter was designed to safeguard the building investor. There are two methods of doing this—the one adopted by Ontario and other provinces of absolute prohibition, which is a very foolish idea, and the other of permitting this type of organization to flourish under proper restrictions. This is the course British Columbia is pursuing.

"When we study the history of this movement in the United States and find, as we must, that the building and loan association in the United States is one of the greatest factors contributing to its prosperity, it seems almost absurd for Canada to be like the proverbial ostrich. There should be ample regulation, of course. A movement of this kind is liable to bring in its train companies whose standards are not correct, and such companies would do a great deal of harm. The building and loan movement does not need any defenders when properly conducted, but should be safeguarded against the fly-by-night promoters. In the United States, not only have they various regulations restricting these organizations, but every building and loan association is under continual rigid examination by the various state bank examiners. While the governments of the United States and of the various states rigidly check the different associations they, at the same time and by every means in their power, foster their promotion. President Coolidge Secretary of Commerce Hoover, as well as governors and other high officers, by public and private utterances, comment favorably to the United States people upon the methods adopted by the building and loan associations and foster their well-being. Moreover, the federal government across the border has exempted all building and loan associations from federal income taxes.

"We know of no other method of financing which carries with it the peculiar advantages of these associations, in that the actual interest paid by the borrower is small, while at the same time the association is enabled to make reasonable profits.

"The building and loan association does not cater to the man of means, who is accustomed to paying interest on his mortgage at lengthy intervals, and possibly never pays off the mortgage itself. Rather it is designed for the man on salary, who is accustomed to pay his way monthly and who could never learn to set aside money for semi-annual and annual payments. The payments are usually arranged so that the amount paid each month is practically what the borrower would usually pay in rent and thus, without interfering with the borrowers' ordinary requirements, he discovers at the end of the necessary period that his home is fully paid for."

MARITIME PHONE ENJOYING BIGGEST YEAR ON RECORD

Earnings Certain to Be Satisfactory For Full Year

By Staff Editor.

HALIFAX.—From an earnings standpoint, the current year is the best which the Maritime Telegraph and Telephone Company has ever experienced. The revenues from long distance services during the month of August established a new high record and during the two succeeding months the revenues from this source have been maintained. As there remain but two months of the fiscal year to be completed, the shareholders can anticipate satisfactory results for the full year's operations.

The Board of Public Utility Commissioners of the Province of Nova Scotia allows the company to earn not more than 8 per cent. on the depreciated value of its assets. The latter figure bears no relation to the rate which the company pays on its shares. The company can pay dividends at any percentage on its outstanding stock, provided, of course, it does not earn more than eight per cent. on the present depreciated value of its fixed assets, after providing for all annual charges, including maintenance. At the present time, the stock changes hands at around 106 and yields the investor about 6.5% This compares with a present yield on Bell Telephone and New Brunswick Telephone of about 5.7%. Incidentally the former company owns ten per cent of the outstanding stock of the Maritime Telegraph and Telephone.

The Nova Scotia Company raised its dividend rate within recent months to seven per cent.

Moir's Export Trade Shows Steady Growth

By Staff Editor.

HALIFAX.—The export business of Moir's, Limited, is steadily increasing. As yet this end of the business absorbs only a minor portion of the total output, but the management anticipates that eventually this end of the business will provide a considerable portion of its total revenues.

At the present time the British Empire and Southern and Central America are absorbing most of Moir's export production. Continental sales are not so promising.

The company's fiscal year ends December 31 next. It is understood that the management will make public the annual report after that date. Sales for the year to date are running at the same level as in 1925.

RAILWAY EARNINGS

Canadian Pacific

	1926	1925	Change
Week end. Oct. 21	....$5,084,000	$4,508,000	+$576,000

Canadian National

	1926	1925	Change
Week end. Oct. 21	....$6,299,542	$6,050,783	+$248,759

C.N.R. HEAD ONCE BEFORE SET TWO YEARS FOR TASK

In 1923, He Said All Would be Bright for Company by 1925

LINE TO EARN INTEREST

His Prophecy as to Early Earning of Interest Charges Causes Ottawa to Talk

Canadian National Railways earnings' statement for the first nine months of 1926 seem to back up recent optimism of President Sir Henry Thornton.

Nearly $26,000,000 of net operating profit in that period doubles last year's showing and breaks all records since amalgamation.

Nine Months Earnings

Gross	$189,496,292
Expenses	163,752,958
Net earnings	$ 25,743,334
Operating ratio	86.41%

Five Years' Comparison

Nine Mos.	Net Earnings	Operating Ratio
1922	$ 581,216	99.64%
1923	6,929,695	96.15%
1924	6,075,820	96.48%
1925	12,325,763	92,72%
1926	26,743,334	86.41%

From Our Own Correspondent.

OTTAWA.—Sir Henry Thornton's prediction before the Cochrane Board of Trade that the Canadian National deficit would be wiped out within three years has caused considerable speculation here. Sir Henry is quoted as saying that "within the next three years the Canadian National would be able to pay the interest on obligations which had been assumed."

This statement may mean either of two things. It may mean that within three years the Canadian National will have net earnings sufficient to pay in full the interest on its securities in the hands of the public. Or it may mean that it will have net earnings sufficient to pay the interest on securities in the hands of the public and also the interest on monies advanced by the government.

The first of these interpretations is the natural one. Once before, Sir Henry Thornton made a statement that was taken to mean the same thing but various things have intervened to prevent fulfilment of his prophecy. On the 21st of December, 1923, speaking before the Commercial Travelers of Canada, at Toronto. Sir Henry foreshadowed net earnings of eighteen million for that year. He forecast an operating net of thirty million for 1924 and prophesied that a year later, that is 1925, "it should be all clear sailing for the Canadian National and for the people of Canada so far as their railway problem was concerned." So, according to the report published at the time, "he asked for patience and consideration for another two years at least; and at the end of that time he was certain, if there were no great set-backs, the problem will have been solved." The period to which Sir Henry Thornton looked forward for the solution of the Canadian National problem came to an end last December; and consequently much attention is now being attracted by his new prediction of a three year period.

Does He Mean Government Interest?

Of course, it is recognized as possible that Sir Henry's prophecy at Cochrane had in view the larger task of paying interest on government advances as well as on securities in the hands of the public. If this interpretation is to be taken, however, it means that the Canadian National must more than double its earnings of last year. Even the doubling of its net earnings will not provide sufficient funds for payment of interest on the cost of either the Intercolonial or the National Transcontinental.

There is, however, an entry in the last monthly statement from the fin-

(Continued on page 8)

Investor's Index

B. C. Fishing . . . 7
B. C. Trust 2
Brazilian 9
Christie-Brown . . 7
Can. Car & Fdry. 11
Can. Ind. Alcohol 11
Can. N'rthern Pow. 9
C. N. Prairie Lands 6
C.N.R. Income . . 12
Carriage Factories 22
Can. Steamships . 4
Cooksville Brick . 21
Cosgrave 5
Dodge Bros. . . . 13
Dom. Financial . . 5
Dominion Glass . . 7
Dominion Steel . . 11
Eastern Theatres . 7
Famous Players . . 7
Ford of Canada 8-21
Frontenac 5
Goodyear 4
Gunn's 7
Inter. Milling . . 7
Internat'l Paper 8-16
Mackay 9
Manitoba Paper . . 6
Marconi 9
Maritime Phone . 1
Moir's 1
National Brick . . 7
N.B. Telephone . . 1
Ontario Bakeries . 7
Ott'wa River Pow. 24
Penmans 1-5
South. Can. Pow. 13
Shawinigan . . 9-16
Thunder Bay P'per 24
Toronto Suburban 11
Traders' Finance . 16
Twin City 13
Wayagamack . . 6-24

MINES

Abitibi 18
Amulet 18
Argonaut 17
B. Hollinger . . . 17
Beaver. 19
Bennett 18
Central Man. . .17-20
Cons. Smelters . . 18
C. W. Dome . . . 17
Duprat 18
Engineer G. . . . 20
Fiske Gold 17
Gold Hill 18
Grozelle 17
Int. Oil 20
Kirkland G. . . 17-19
Laval 17
Nipissing 18
N. S. Gold 17
Ont. W. Lake . . 17
Rouyn-B. 18
Silversmith . . . 18
Stadacona 20
Tonopah 20
Tough Oakes . . . 18
Waite-M. 18

Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

Fall and Winter Operations in Full Swing
Wholesale and Retail Trade Doing Better Business
Industrial Plants Operating on High Level
Continued Improvement in Employment Situation

THE final swing from summer to fall and winter operations has now been completed, and instead of this movement being accompanied by a lowering of the level of business, reports from many points indicate that there is a continuance of the good volume enjoyed during the past two or three months, with modifications in certain seasonable lines. Such industries as pulp and paper, mining and lumber give promise of being more active this winter than they have been for some time. Consequently buying from this source will largely offset the curtailment of other industries. There is also another point of importance as affecting business in general and that money is more plentiful and the public is spending freely.

Trading More Active

Wholesale and retail trade throughout the country continues good. A noticeable feature of this business during the past week or two, has been the increasing number of people from country points who have visited the larger cities to make substantial purchases. The weather has also been conducive to more active trade, especially in seasonable lines such as woollens, clothing, etc. Dry goods and hardware are also in brisk demand As a rule wholesale houses are busy making shipments of goods ordered previously, while new orders are coming in at a good rate. There should be a further stimulation of business in the West, as money is moving much more freely as a result of the increased crop movement.

There has been less than the usual decline in manufacturing activities than is usually the case at this time of the year. With hardly an exception, all the larger industrial centres report operations practically uncurtailed with the outlook for a continuation of the present high level. Clothing, shoe, glove, textile and other plants are all busy. Iron and steel concerns have a good volume of business on hand, and the equipment companies are expecting further orders from the railways in the near future. Certain Eastern companies have lately been receiving considerable business from the mining country for machinery and equipment

Perhaps the best indications of the trend of business in Canada, are the figures of weekly car loadings. During the week ended October 16, these were the heaviest yet recorded amounting to 85,207, an increase of 7,103 cars over the previous week and 11,533 cars greater than the corresponding week a year ago. While the heaviest increase was due to the freer movement of grain, there were substantial gains registered in other lines. Livestock, lumber and miscellaneous freight all showed increases while merchandise recorded a small decrease owing to lighter loadings in the Western division. In the more significant comparison with the same week a year ago, livestock was the only item to register smaller loadings.

Employment Situation Better

Another good sign is seen in the continued improvement in the employment situation. At the beginning of October there were 2,237 more workers on the payrolls of reporting concerns than on the same day of the previous month. Although this gain is somewhat less extensive than that noted on the corresponding date of last year, employment continued to be in decidedly greater volume than in any other month since 1920. As was to be expected manufacturing, construction and services showed curtailment, while increases were recorded in logging, mining, transportation and trade; in the last named the gains were the largest indicated on October 1st of any year of the record. The Prairie Provinces was the only area to show a falling off.

On the regular stock exchanges of Toronto and Montreal during the past week, there were no untoward happenings. The list was generally firm, only a few losses being registered. The mining exchange, however, experienced something of a flurry, which is taken in some quarters to indicate the initial developments of a bull market of some magnitude. There is nothing new in the bond situation, while money is still plentiful and can be had at comparatively low rates.

Increased Imports Bring Higher Customs Revenue

An analysis of Canada's foreign trade for September shows that, in comparison with last year, imports are increasing and exports very materially decreasing. The increase in imports is attributed largely to increased activity in manufacturing and construction, which has caused increased importation of raw materials, such as iron and steel. The drop in exports is directly attributable to an extremely late crop movement and to a falling off in the exportation of packed meats, and products such as butter and cheese. The increased importations have had an appreciable effect on the amount of duty collected, which has increased about $21,000,000 in the last 12 months, as compared with the same period in 1924-25; an increase of 15 per cent.

Agricultural Survey

Harvesting Nearing Completion
Cheese in Active Demand
Livestock Exports Unchanged
Smaller Apple Crop

Crop reports emanating from the West in the past few days have been optimistic and pessimistic. A recurrence of the bad weather experienced during September has taken place in Manitoba, where an almost complete suspension of harvesting operations has taken place. On the other hand, Saskatchewan and Alberta conditions are much more favorable, and completion of threshing in these provinces is well in sight. No doubt this last setback will have an appreciable effect on the revenue expected by farmers in the province of Manitoba but while the aggregate net returns for the three prairie provinces will not be as great as was first thought, they will compare favorably with those of last year.

No improvement has taken place as yet in the export situation, buying on foreign account in any large volume being withheld. In the month of September last about 10½ million bushels of wheat were exported, compared with 9½ millions in the previous month and with nearly 16 million in September of a year ago. Despite the slow demand for export, wheat prices have registered a slight advance, owing to unfavorable advices which have been received from Argentina and other wheat exporting areas. The week's operations on the Grain Exchange resulted not only in advances of cash wheat prices, but also in October and May options. The other grains followed closely the trend of wheat.

Trade in Cheese Active

The export butter situation continues weak, but the foreign demand for cheese is more active. The total movement of butter for Britain from Montreal for the season to date is just over one-third of what it was in the corresponding period last year. Although shipments of cheese are not overly large, yet they compare favorably with those of a year ago. Were it not for the industrial unrest in England which has also hard hit the export of Canadian packing house products, this would be a successful year for the dairy industry in the matter of exports.

The market situation for livestock offerings continues unchanged. Sales at the stockyards throughout the Dominion are, with the exception of hogs, better than for last year. Prices are holding firm, owing to the steady domestic demand. From present indications, it is doubtful if there will be any substantial betterment in the movement to England of cattle or meat products during the balance of this year. Reports have come to hand that the British strike has petered out, but even if there is a complete surrender on the part of the miners, it will be some months before their buying power is restored to a normal figure, and in the meantime cheese will constitute the main item in their diet.

Further Drop in Apple Crop

Owing to unfavorable growing conditions during the past month in Ontario and in Quebec and Nova Scotia, the Canadian commercial apple crop shows a further drop and is now estimated at 89 per cent., or 2,550,500 barrels, as compared with 2,833,400 barrels in 1925. In Nova Scotia the apples are not sizing up as anticipated and the crop is principally to be found on the outside trees; while in Quebec high winds and poor quality fruit has caused a further crop reduction. Ontario accounts for the decrease in this month's estimate to the backward season, and most varieties failing to size.

Early in the month it was considered that Nova Scotia would have a good market for her apples in England, owing to the short crop in that country. In the meantime, however, American growers with an unusually large crop on their hands have been dumping their surplus crop in England which has irreparably damaged the market for Nova Scotia. This setback, together with other factors has caused apple growers and shippers in the Annapolis Valley to unite in an effort to improve the status of the apple industry. The first move of this new group will be to begin at once a study of how to improve the keeping qualities of apples in warehouse or storage, etc.

Coke Output Climbs; Consumption Growing

Production of coke in Canada during the month of September at 166,292 tons was the highest output recorded for any month since the bureau of statistics at Ottawa commenced collecting monthly figures in January, 1925. In August the output was 165,662 tons, and in September, 1925, production totalled only 102,882 tons.

During September, production of coke in Canada totalled 166,292 tons and 74,905 tons were imported to make an available supply of 241,197 tons, but as 3,445 tons were exported the apparent consumption for the month amounted to 237,752 tons. For the first nine months the total Canadian production was 1,424,417 tons, imports amounted to 739,137 tons, and 39,267 tons were exported, resulting in an apparent consumption of 2,124,287 tons for the year to date.

British Canadian Trust Renews Money at 5%

The directors of the British Canadian Trust, Ltd., of Dundee, Scotland, in their sixteenth annual report, show an increase in investment revenues of £1,758 above 1925. Debentures falling due are being renewed at five per cent. and satisfactory payments from borrowers are expected on account of the favorable estimates of the Canadian wheat crop. A valuation of investments in bonds and stocks shows a large appreciation over the amount at which they stand in the balance sheet. Income and surplus account as of Aug. 31, 1926, is as follows:

Net revenue for the year	£17,791
Add: income tax refund	476
Total	18,267
Appropriations: Interim dividends—	
On pfd. (at 4½%)	2,320
On Common (at 6%)	3,093
Final dividends—	
On pfd. (at 4½%)	£2,320
On com. (at 10%)	5,156
Transfer to general reserve fund	3,000
Transfer to contingent fund	2,000
Net surplus for year	377
Carried forward	7,441
Total forward	7,818

What Becomes of the $14.88?

Industrial employees frequently form a wholly unwarranted opinion of the profits made owing to lack of knowledge of production costs, etc. Recently a Cleveland brick company put out a bulletin and distributed it to its workers, to show just what the margin of profit was and how it was arrived at on their particular profit. This information is reprinted as a splendid example of a sensible way in which to give information and help put an end to rumors and foolish suspicions.

"If 12 cents' worth of dirt makes $15 worth of brick," asks Elmo Martin of Cleveland, "what becomes of the $14.88?"

The facts and figures are from the actual records of a modern brick plant in Cleveland, where brick is sold as low as $15 per thousand. This plant with $3,000,000 invested and 400 people working produced 200,000,000 brick in 1925.

To convert 4,500 pounds of common clay into 1,000 common brick costs, in Cleveland, approximately as follows:

A. Material Costs—Raw—the cost of the clay	$ 0.12
B. Material Costs—Expense—consisting of supplies and fuel used in mining the clay, 27c.; disintegrating, pugging and molding, 9c.; setting and burning, $2.03; power, 96c.; a total of	3.35
C. Labor Costs—for labor used in mining, 45c.; disintegrating, pugging and molding, $1.36; handling and burning, $2.01, and in the production of power, 22c.; a total of ...	4.04
D. Delivery Costs — teamsters' and drivers' wages, $1; maintenance, 20c.; depreciation, taxes, insurance, etc., on delivery equipment, 52c. (this varies in different localities); a total of	1.72
E. Employees' Insurance—and reduced rent on company's houses	.16
F. Supervision — all of which is labor	.38
G. Capital Costs — Depreciation on fixed capital investment, 92c.; maintenance of same, 49c.; maintenance on fixed capital supplies, 74c. — most of which is for wages; taxes, 21c.; insurance, 25c.; a total of	2.61
H. Selling Costs—mostly salaries	.35
I. Administrative Costs—Mostly salaries and wages	.66
	$13.39
J. The Profit (under most favorable production before providing a wage for capital)	1.61
The price of common brick on the premises ready to use	$15.00

The profit—The $1.61 represents a profit of 11 per cent. before any return is made to the "dollars" invested. If this company were to pay its stockholders six cents for the use of each of the $3,000,000 invested in the business, it would leave five cents out of each dollar taken in from the sale of brick, or $150,000 in a surplus fund for growth, progress and improvement, and to keep the organization intact and provide against losses in slack periods, all of which are desirable from the standpoint of those employed, the investor, and the brick-buying public.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1926	1925	
Car loadings, week Oct. 16	85,207	73,674+	16%
Year to date	2,475,812	2,237,505+	10%
Merchandise shipped, year to date	670,448	627,500+	6%
Building permits—September (63 cities)	11,036,359	10,140,853+	8%
Construction contracts awarded, September	20,760,600	29,746,000—	30%
Railway Earnings—Eight Months—			
C.P.R. gross	118,456,380	105,765,016+	12%
C.P.R. net	22,183,198	15,368,302+	44%
C.N.R. gross	165,783,341	146,661,997+	13%
C.N.R. net	20,829,074	8,385,691+	148%
Pig Iron Output—tons, September	64,187	34,609	
Steel Ingot production, September tonnage	58,537	45,674	
9 months to September 30	600,542	581,711	
Employment—October index	105 2	98.3	
Newsprint production—September tonnage	151,387	124,704+	20%
Automobiles produced —(Eight months to August 30)	155,000	114,000+	35%
Immigration, 6 months to June 30	70,253	43,241+	63%
Business failures—No. of firms, 9 months	1,513	1,538	
Liabilities, 9 months	19,191,301	26,550,375—	27%
Imports of key commodities, 12 mos. ending August 30—			
Rubber (raw, in pounds)	46,189,124	38,893,355+	19%
Cotton (in pounds)	135,273,867	112,347,584+	20%
Crude petroleum (in gallons)	601,312,867	499,059,190+	20%
Exports of key commodities (12 mos. end. Aug. 30—			
Canned salmon, lbs.	637,386	770,055—	17%
Newsprint, cwt. (12 mos. end. Aug. 30)	32,384,966	26,314,055+	23%
Wheat flour, bbls. (12 mos. end. Aug. 30)	10,671,368	10,228,177+	4%
Wheat, bushels (12 mos. end. Aug. 30)	269,761,912	154,110,268+	75%
Grain receipts, Aug. 1 to Oct. 15	72,395,805	102,457,439—	29%
Bank clearings, September	1,381,459,868	1,328,776,934+	4%
Savings deposits, Aug. (chartered banks)	1,343,116,753	1,268,554,097+	5%
Current loans, Aug. (chartered banks)	945,274,265	903,717,736+	4%
Exports, 12 months to August 31	1,323,180,712	1,130,753,557+	17%
Imports, 12 months to August 31	976,886,332	837,787,939+	16%
Balance of trade, 12 months to August 31	346,294,380	292,965,618+	18%
Price level, September index, 236 commodities	152.5	156.2	
Cattle—Good, Toronto, Oct. 25	$7.00	Oct. (Aver.)	$6.97
Wheat, No. 1, Nor. Winnipeg, Oct. 25	1.48	Oct. (Aver.)	$1.27
Pig iron (Number 1 foundry) Sept.	$24.80	Sept. (Aver.)	$27.25
Hogs—Select, Toronto, Oct. 25	$11.50	Oct. (Aver)	$12.68
Bond sales, September	$55,483,924	$165,145,772	
Life Insurance Sales, September	34,878,000	33,543,000+	4%

CANADIAN BANK NOTE COMPANY
LIMITED
Engravers and Printers
BANK NOTES AND CHEQUES
CORPORATION BONDS
STOCK CERTIFICATES
MUNICIPAL DEBENTURES
AND OTHER
MONETARY DOCUMENTS
Head Office and Works
224 Wellington Street, OTTAWA
Branches
MONTREAL TORONTO

THE ROYAL BANK OF SCOTLAND
Incorporated by Royal Charter, 1727
Capital (fully paid) £2,500,000
Rest or Reserve Fund, (Oct., 1925) £2,464,704
Deposits (Oct., 1925).....£40,790,229
Governor:
His Grace the DUKE OF BUCCLEUCH AND QUEENSBERRY, K.T.
Deputy-Governor:
Rt. Hon. the EARL OF STRATHMORE AND KINGHORNE, G.C.V.O.
HEAD OFFICE: EDINBURGH
General Manager:
Sir Alexander Kemp Wright, K.B.E., D.L.
Secretary: J. B. Adshead.
LONDON CITY OFFICE:
3, Bishopsgate, E.C. 2.
LONDON (WEST END): DRUMMONDS BRANCH, 49, Charing Cross, S.W. 1.
GLASGOW (PRINCIPAL) OFFICE:
Royal Exchange Square and Buchanan St.
Over 200 Branches throughout Scotland.
Every description of British, Colonial and Foreign Banking Business transacted.
Foreign Exchange Department at all the Principal Offices.
Correspondence invited.

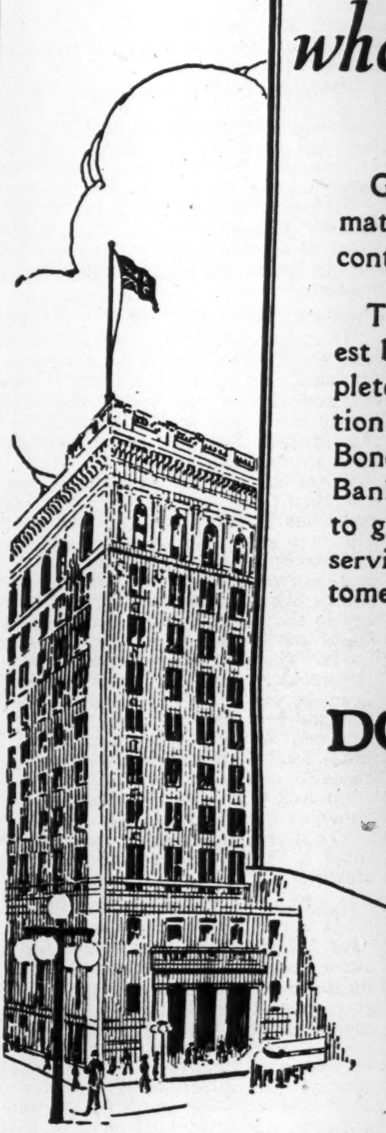
Moderate Rates For Fall Sailing
AN inexpensive trip to Europe during the glorious Fall season—on one of the luxurious CABIN CLASS Ships—could anything be more enticing? Spacious state-rooms, unexcelled cuisine, sports, dancing, concerts!
1,000 miles of inland river waters—only 4 days open sea.
Convenient direct service to Ireland—no transfers
Enquire of your steamship Agent or write:
J. E. PARKER
General Agent Ocean Traffic
C.P.R. Building, Toronto
Canadian Pacific Steamships

ENVELOPES
MACHINE OR HAND MADE
PRINTED OR PLAIN
TORONTO ENVELOPE CO. LTD
366 ADELAIDE ST. WEST
TORONTO 2

A SAVINGS DEPARTMENT In Every Branch
IN every branch of the Bank of Montreal in Canada there is a Savings Department where current rates of interest are paid on all deposits.
The Bank cordially welcomes small accounts at all its offices.
Total Assets in excess of $750,000,000

Head Office, Montreal

BANK OF MONTREAL
Established 1817



Be careful when investing
Get dependable information in regard to your contemplated investments.
The manager of our nearest branch can secure complete and valuable information for you through the Bond Department of this Bank. It is operated solely to give helpful investment service to the bank's customers.
THE DOMINION BANK
Established 1871
92
Ask the local manager about a safety deposit box. The protection is worth many times the rental.

Toronto Branch Entrance

Facilities in Newfoundland
Our twelve branches throughout the Island of Newfoundland enable us to offer you a prompt collection service, also trade and credit information that is accurate and up-to-date.
THE BANK OF NOVA SCOTIA
Established 1832
Capital, $10,000,000. Reserve, $19,500,000
Total Assets, $240,000,000

The Weyburn Security Bank
Chartered by the Act of the Dominion Parliament
TWENTY-SIX BRANCHES IN SASKATCHEWAN
HEAD OFFICE - WEYBURN, SASK.
DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn.; Jos. Mergens, Vice-Pres., Weyburn, Sask.; J. A. McBride, Weyburn, Sask.; M. A. Miller, Weyburn, Sask.; S. E. Oscarson, Fargo, North Dakota; N. D. McKinnon, Weyburn, Sask.; H. O. Powell, Gen. Mgr., Weyburn, Sask.
A General Banking and Foreign Exchange Business Transacted.

Canadian Appraisal Company, Ltd.
The Pioneer Appraisal Organization of Canada
Established 1905
DURING the past twenty years we have appraised some FIVE THOUSAND properties, all within the Dominion of Canada and comprising the most representative industrial plants in every line of industry.
Correspondence Invited
Head Office - 364 University St. - Montreal
Royal Bank Building TORONTO
NEW YORK Equitable Building

British Industries Make Plea to Hold Empire Preferences

Seeing Growing Demand in Dominions for Abolition of Favored Treatment, United Kingdom Manufacturers Point to Benefits Britain Gives

Old Country manufacturers are evidently somewhat worried by the possibility of losing their very favorable preferential tariffs in the other British nations, particularly in Canada. Efforts are now being put forth to show that Canada and the other Dominions gain benefits from the British connection apart from the moderate degree of preference granted by the British Isles to goods from other British nations.

The Federation of British Industries has issued a long memorandum on the subject of how the United Kingdom contributes to Imperial preferences. It says:

"The Federation of British Industries have recently had under consideration the question of the preferential tariff treatment granted to certain British goods by the dominion governments.

"The federation recognize with appreciation the benefits which this grant of preference has bestowed upon British trade. They cannot, however, fail to be aware that in certain dominions there appears to be a tendency to reduce the amount of preference granted to British goods, and in some cases to abolish it altogether.

Why Preferences are in Danger

"If one examines the situation, one must come to the conclusion that there are two reasons why this country is in danger of losing such preference as it at present enjoys in the dominions. The first is that in many of the dominions there is a widespread determination to encourage and safeguard local industries. No reasonable person can quarrel with the desire of the dominions to foster local industries, so far as it serves their interests to do so, but, although one recognizes the natural desire of the Dominions to do their own manufacturing so far as economically possible, it is at least natural that in so far as they have to purchase from abroad, it should be from Great Britain, their sister nation, and their best customer, rather than from foreign nations.

"Secondly, it is often stated in the dominions that it is unreasonable of the United Kingdom to expect them to continue to make a gift to British trade by granting preference to Great Britain when the mother country does not reciprocate by giving preferential treatment to dominion products by means of a general tariff with preference for dominion products. It is with regard to this argument that the federation feels justified in drawing attention to certain facts which are often overlooked.

Benefits in Lieu of Preference

"As already stated, the federation are fully sensible of the benefits conferred by the dominions on Great Britain, but they feel that the tendency which has manifested itself in certain quarters to withdraw those benefits is due to a belief in some of the dominions that Great Britain grants no advantages to the dominions in return for the gift of preference. Although, owing to the fiscal policy of this country, it is not possible to grant a direct return by way of corresponding preferences or, at any rate, only on a limited number of articles, the federation would point out that there are other ways in which the United Kingdom is, in fact, conferring substantial benefits upon the dominions, which may fairly be set off against the grant of British preference by the latter.

"As an example, the federation would venture to refer to the facilities which the dominion governments enjoy for the raising of loans on the British market. The advantage conferred upon the dominions by the Colonial Stock Act of 1900 have been complied with in respect of stock totaling about £725,000,000, which has been placed upon the British money markets by the dominions and their constituent states. It is worthy of note that many parts of the empire do not when floating a loan give any details of their financial situation, and do not consider it necessary to supply the material facts as to their budgetary and general financial position. It can hardly be denied that if the British government had not passed the Colonial Stock Act, it would have been impossible for the dominions and states to have raised money on such favorable terms as they have done in the past in London.

Naval Defence of Empire

"In the second place, the federation would mention the cost of the naval defence of the empire, and of the upkeep of the imperial services. On the former service, during the year 1925-26, Great Britain was estimated to spend £60,500,000; Canada £300,000, approximately; Australia £3,921,145, plus a special appropriation of £1,000,000 for defence purposes generally; New Zealand, £538,325; Union of South Africa £139,893.

The payment per capita of population in each case was as follows:

Great Britain	£1	6	10
Canada			8
Australia		13	2
New Zealand		8	0
South Africa		1	9

"One can thus say that the overwhelming proportion of the naval defence of the empire is borne by the United Kingdom. It is sometimes argued that this naval expenditure would be undertaken in any case by the United Kingdom for its own interests, but one can hardly deny the teaching of history that the requirements of defence depend upon political commitments and the extent of the interests one has to defend. In some wars it is true that the battle ground may be Europe, but there are combinations of circumstances which might easily render other portions of the empire the main theatre of operations. In any case upon the existence of British seapower depends and must depend the free and unfettered national life of every part of the empire.

"Apart from the burden placed upon the British taxpayer by the upkeep of the British navy, it is interesting to compare the total amount spent by Great Britain and the dominions on imperial services, namely government, army, air force, services of the war debt and war pensions.

"According to a statement which was printed at the beginning of the year in the round table, the total estimated expenditure in 1925-26 from ordinary revenue upon the above services was as follows:

		Per capita		
Great Britain and North'n Ireland	£546,000,000	£12	8	3
Canada	29,000,000	3	7	2
Australia	33,000,000	6	1	9
South Africa	3,000,000	1	19	3
New Zealand	6,000,000	5	1	9

"The above figures show clearly the enormous disproportion between the burden borne by the British taxpayer and the Dominion taxpayer on the upkeep of the fabric of the empire.

Consider it Ample Return

"The federation trust that the foregoing facts may be held to prove that although the dominions grant substantial advantages to the United Kingdom by way of preference, the United Kingdom in its turn is rendering services to the dominions of very considerable value.

"The federation recognizes the friendly feeling of the dominions towards this country and they reciprocate that feeling, and wish to see it strengthened and fostered in every way. They feel, however, that at a time when imperial affairs are about to be discussed, it is well that the position with regard to the grant of preferences by the dominions should be known, since nothing is so likely to arouse controversy as any misunderstanding as to the real facts of the case. They confidently believe that these facts are such as lead the governments of the dominions to view sympathetically the retention and extension of the principle of granting preference to British goods over foreign."

$2,000,000 Hotel Planned in Quebec by U.S. Group

The finance committee of the Quebec city council has given its approval in principle to the sale of the Montcalm Marker property to the Hegeman, Harris Company, of New York, who propose to build thereon a 400-room hotel to cost over $2,000,000.

More Vigorous Attack on Immigration Problems Board of Trade Plea

By RIELLE THOMSON.

Eastern Editor, The Financial Post.

SAINT JOHN.—The first convention of the Canadian Board of Trade concluded with the passing of several resolutions of vital importance in national progress. These resolutions were framed after study by various committees and were passed to the resolutions committe, which in turn presented the resolutions to the general meeting, where they were passed without a dissenting voice. The resolutions follow:

National Foreign Trade Conference. Resolved that this convention of the Canadian Board of Trade reaffirms its resolution, passed at Winnipeg last year, in favor of the formation of a National Foreign Trade Conference for Canada; and that an invitation be extended to all interested organizations to co-operate in the calling of such a conference.

Maritime Provinces' Problems. Resolved that this Canadian Board of Trade commend the action of the Canadian Government in appointing the Duncan Commission for examination of and report upon the economic conditions of the Maritime Provinces; and express the hope that a solution satisfactory to the Maritime Provinces may be the result.

Cost of Government. Resolved that the Canadian Board of Trade recommend to our governing bodies and to the citizens of Canada:

1. The practical recognition of the need for economy by all public bodies spending public moneys raised by taxation or otherwise.
2. Expert examination by our governing bodies of government expenditures with the object of eliminating wasteful expenditure of public moneys,
3. A determined effort by our feedral, provincial and municipal governments to secure reliable information, which will enable and justify the curtailment of unnecessary expenditures.
4. That our Dominion government adopt the plan of either the British government in its appointment of the Geddes commission; or the United States of America government in its appointment of the Dawes commission for the purpose of ascertaining where wasteful public expenditure may be prevented, so that the general desire for a reduction in taxation may be acceded to, without impairing the efficiency of our government department.

Industrial and Scientific Research. Resolved that the Canadian Board of Trade reaffirm the following resolution adopted at the conference held in Winnipeg in 1925:

Resolved that we commend to the favorable consideration of the government of Canada the project for the establishment of National Research Laboratories under the National Research Council of Canada, in order that the scientific study of Canada's problems may be carried on more intensively; and further we urge the agricultural and industrial leaders of Canada to give their co-operation and support in the largest possible measure to the work of the National Research Council.

Tourists' Permits. Whereas the present customs regulations only permit auto tourists coming into Canada to remain one month without formal entry of their automobiles or providing bond for same; resolved that this annual convention of Canadian Boards of Trade strongly recommends to the federal government the amendment of the present regulations so as to permit the free entry and circulation of tourist automobiles during a period of ninety days.

Celebration of Canadian Confederation. Whereas 1927 marks the sixtieth anniversary of Canadian Confederation, an event which should be commemorated by suitable celebrations throughout the length and breadth of this Dominion, resolved that the Canadian Board of Trade is of the opinion that such celebration should be arranged under the auspices and direction of the Dominion Government in collaboration and co-operation with the several provincial governments;

Further resolved that the time and occasion is propitious for the Dominion government on behalf of the Canadian people to convey to their Majesties, the King and Queen, an expression of sincere hope that they may graciously consent to visit Canada during the progress of the proposed anniversary celebrations.

Canadian Cattle Trade. Resolved that the Canadian Board of Trade instruct its officers to take such steps as it may deem to be expedient and proper for the relief of the cattle trade of Canada.

Coal Situation. Whereas considerable progress has been made in the development of the coking industry in Canada; resolved that in the opinion of the Canadian Board of Trade a National coal policy for Canada should be formulated and every effort made by the government of Canada to develop the coal and coke industries and establish the use of Canadian coals in Canadian markets.

Made-in-Canada Movement. Resolved that the Canadian Board of Trade, in its first annual convention assembled, goes on record in support of the policy of patronizing Canadian industries and production and recommends to its constituent boards that every effort be made within their individual localities to further such aims and objects.

Immigration and Colonization. Resolved that the attention of the federal government be directed to the following recommendations:

British immigration: 1. That the medical examination is unduly restrictive and should be altered and the applicants should be entirely relieved from the cost of such service; 2. That present requirements that an unaccompanied women paying her full fare shall secure a sailing permit is neither necessary nor wise.

3. That any existing administrative restriction tending to deter or unduly delay the entry into Canada of suitable immigrants should be cancelled;

4. That with the object of further expediting British colonization, the Dominion government should either financially aid in the establisment of training or testing stations for families, men, boys or domestics, or pay a per capita amount for any persons so trained, accepted for immigration to Canada.

Non-British Immigration: That the order-in-council affecting the movement of colonists should be amended to include the following. "Provided that the minister may by departmental regulation define certain countries from which immigrants of the classes mentioned in paragraphs 1, 2, 3 and 4 and others may be admitted subject to compliance with the provisions of the Immigration Act."

2. That the work of the federal department of immigration should include active propaganda in the preferred countries of Europe and further effort to stimulate the movement of settlers from the United States.

General: 1. That the government of Canada should use its influence to secure the reduction of the ocean rate for all overseas peoples of the agricultural class who are otherwise acceptable for settlement in Canada.

2. That realizing the value and importance of attracting an increasing number of desirable immigrants, the Dominion government should make such increased appropriation for immigration as will be more commensurate with the economic value of the new citizens to the Dominion.

Further Recommendations: 1. That each delegate to this annual meeting be requested on his return home to devote time and effort towards interesting his local board in the cordial reception of the new immigrant and to endeavor to secure the appointment by such local board of an active colonization committee to assist in the settlement of immigrants to the end that permanent residence may ensue.

2. That a standing committee on immigration be appointed by the executive to be composed of a chairman and four other members to be appointed or elected by the meeting now in session, these five to be empowered to add to the committee one representative from each province not already represented in the five originally elected or appointed.

3. It is suggested that the permanent committee when created shall make a special examination of the Australian plan for the information of this board.

Activity in Breweries Follows Ontario's Move

The Dominion Brewery in Toronto has been purchased by the Hamilton Brewing Association, which also operates the Grant Springs Brewery at Hamilton. The sale was made by L. C. Annesley, president of the Dominion Brewery, acting for the owners of the property, the estate of the late Sir William Mackenzie. Mr. Annesley was secretary for the late Sir William Mackenzie, and, following his death, took the position of president of the Dominion Brewery Company.

The Dominion Brewery has been operated since 1921 under heavy losses, it is understood, and the staff has been cut to the minimum but it is stated that if the Ontario government permits sales of beer by delivery to homes and in hotels, the new owners will be able to operate to capacity, which means that 120 to 140 men, at least, will be employed. An export business may also be promoted.

Coupled with the sale of the Dominion Brewery to the Hamilton brewery interests is another interesting statement: that the Reinhardt Brewery, which has been closed, is to resume business under a license issued by the Dominion government. The brewery passed into the hands of Detroit parties a year ago, but some difficulty was experienced in getting a license from the Dominion government. It is now stated that this difficulty had been overcome.

New Oil Strike in Alberta

Another oil strike is reported in Alberta—caught at a 3,811-foot depth in the Illinois-Alberta well, a half mile west of Royalite No. 1. The flow of naphtha gas is estimated at between three and four million cubic feet a day, with naphtha at the rate of about a hundred barrels a day.

Full Staff at Raymond

The beet sugar factory at Raymond, Alta., is now on its second year's run, with a full staff of workmen and adequate supplies of beets. The mill will probably be slicing beets for the next three months. Tonnage is running higher than last year, and the sugar content of the beet is improving.

WHEN REMITTING
SEND
CANADIAN NATIONAL
EXPRESS
MONEY ORDERS

A. M. Mahaffy
Limited
Subdivisions, Tracts of Lots, Industrial Plants, Business Properties, Timber Limits, Mines, etc.
SOLD AT AUCTION
Office,
2 Court St., Toronto 2, Ont.

Why a Quandary?
Many executives are forced into a quandary on a policy—or what is the best thing to do with a problem.
We solve problems as with a composite brain, from an independent view-point. Written endorsation from our clients say so; or if you are offered a business investment, protect yourselves by requesting the proposer to secure you a report on it from
F. E. MUTTON
Business Economist
705 Federal Building, Toronto.
Adelaide 8031.

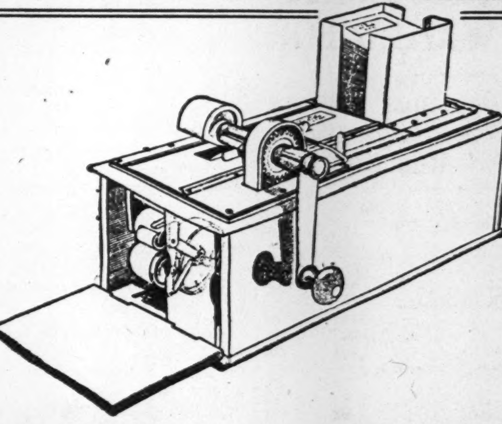
Member of F.T.D.A.
Dunlop's
Limited
CHOICE FLOWERS
8 to 10 West Adelaide St.
TORONTO
"FLOWERS TELEGRAPHED ANYWHERE"

ANGLIN-NORCROSS
(LIMITED)
Contracting Engineers
and Builders
MONTREAL :: TORONTO

THE
ROYAL TRUST Co
EXECUTORS
AND
TRUSTEES

The Trend of Business
can be perceived only from close observation of actual conditions.
Our Monthly Commercial Letter simplifies this for you by presenting an accurate survey of current business conditions all over Canada.
Sent free on request. 38
THE CANADIAN BANK OF COMMERCE
Capital Paid Up $20,000,000
Reserve Fund $20,000,000

NEWBOLD C. JONES
FREDERICK NEWTON
BRIAN HEWARD
JOHN D. MACPHERSON
JONES, NEWTON & HEWARD
MEMBERS MONTREAL STOCK EXCHANGE
105-106 TRANSPORTATION BUILDING
TELEPHONE MAIN 2411*.



$49.50 Buys This Efficient
(F.O.B. Toronto)
RONEO ADDRESSING MACHINE
Guaranteed for ten years of service.
Produces perfect typewritten addresses.
Can be used with any typewriter.
Simple and easy to operate.
Telephone or write for full particulars.
RONEO COMPANY
of Canada, Limited
Telephone Elgin 2020
Main 7776
50 King Street East, Toronto
288 St. James St., Montreal

More Than Two Million
people in Quebec are ready to consider your proposition if made in French.
What are you doing?
EXPERT TRANSLATION BUREAU
2991-East, St. Catherine St., Montreal.
Perfect Translation Guaranteed

BENNETT, HANNAH & SANFORD
Barristers, Solicitors, Etc.
Calgary, Alberta—Canada.
Hon. R. B. Bennett, P.C.K.C.
P. L. Seaford, B.A. A. Hannah,
O. H. E. Might, E. J. Chambers, LL.B.,
H. G. Nolan, M.C.M.A.

The Vacant Chair
Every man knows he cannot live and work always. Some day his chair will be vacant.
Thinking men—and women also—are beginning to realize more than ever that the protection now provided for their families must continue when the chair becomes vacant. They know that they should make a Will and appoint a faithful, permanent and impartial executor.
The Canada Trust Company, if appointed to act as executor or co-executor of your estate, can carry on for you efficiently and economically.
By watchful care and friendly ministrations to your dependents, we can do for them what you would have done.
Let our officers assist in planning your Will before having it drawn by the family lawyer.
THE CANADA TRUST COMPANY
"Faithful, Permanent and Impartial"
Branches in five Provinces
London, Toronto, Windsor, Chatham, St. Thomas, Winnipeg, Regina, Edmonton and Victoria.
T. G. Meredith, K.C. Chairman of the Board
Hume Cronyn President
M. Aylsworth General Manager

Dominion and Provincial
Government Bonds
Municipal Bonds
Public Utility
and
Industrial Financing
Foreign Issues quoted

DOMINION SECURITIES CORPORATION LIMITED

MONTREAL OFFICE
189 St. James Street

Established 1901
E. R. WOOD, President

LONDON, ENG., OFFICE
No. 6 Austin Friars

Head Office: 26 King Street East
TORONTO 2

Securities Markets

LESS ACTIVITY AS DEVELOPMENTS ARE WAITED FOR

Market Becomes More Stable With Recovery From the Reaction

MARKET INDICATOR

	High	Low
20 Industrial Stocks		
Week of Oct. 27	91.0	88.5
Week of Oct. 20	91.2	88.4
Month of Oct., 1925	81.1	73.5
9 Bank Stocks		
Week of Oct. 27	$224	$223
Week of Oct. 26	225	223
Month of Oct., 1925	221	215
10 Public Utilities		
Week of Oct. 27	98	95
Week of Oct. 30	98	96
Month of October, 1926	93	89

Although marked by a smaller volume of trading, there has been a return of confidence in the Canadian investment situation which finds definite reflection in the price changes of the week. Advances have been generally of small proportions but they have been much in the majority and offer rather positive evidence of a checking of liquidation. At the same time this week's recovery can hardly be taken to indicate a resumption of the forward movement which culminated in pretty general profit-taking a couple of weeks ago. Rather it would seem to be in the nature of a secondary reaction with a lessening of investment and speculative interest. It probably precedes a period of comparative quietude. For the time being there is evidence of an attitude of waiting to see what trend business will take. This is how the Wall Street situation is analyzed. Even the glowing reports of recent business published by the U. S. Steel Corporation and General Motors, showing record profits. aroused little interest. Evidently the followers of the market are much more concerned with what the future holds for these and other corporations than with what they have been doing

While the business situation in Canada is regarded as being in a much stronger position than in the United States, where there are certain evidences that the limits of boom conditions have been reached, any reaction in New York would undoubtedly find reflection in the Canadian markets. On the other hand should the United States develop another cycle of industrial prosperity out of the present period of uncertainty there would undoubtedly be a marked forward movement in the market prices of Canadian stocks. Much depends on the news of industrial and general business developments in the United States during the next few weeks.

Industrials' Strength Noted

The strength in Canadian industrials has been noted particularly in the papers and textiles; steels and foodstuffs have been more moderately strong. Utilities have been in popular demand and have generally advanced, with the exception of a number of the tractions. Following is a summary of the changes by groups.

	Gains	Losses	Unch.	Ttl.
Banks	3	2	4	9
Paper	9	3	2	14
Steel	9	7	17	33
Foodstuffs	12	10	18	40
Utilities	11	4	12	27
Tractions	3	4	8	15
Textiles	5	1	8	14
Industrials	15	6	28	49
Totals	67	37	97	201

In the paper group Abitibi and Wayagamack again developed strength and Brompton also moved up. The trend seems to indicate that perhaps the fear of over-production of newsprint had been over-done. The future of this group of stocks promises to be dominated to a considerable extent by the general business situation in the United States and the possibilities of successfully marketing the new production there.

Steel of Canada advanced in rather impressive style and this had the effect of imparting confidence throughout the steel group. Canada Forgings moved up a couple of points McKinnon common was lower but the preferred higher. Massey-Harris common was easier and the preferred up a fraction. Russell preferred and Steel of Canada preferred both did better. Changes in this group would seem to indicate a distinct preference for the preferred shares as compared with common.

Lake of the Woods and Ogilvie were features of the milling group with gains of 5 points each. St. Lawrence Flour moved up to 34. The other milling stocks were generally strong but registered no important changes. Chain store stocks were inclined to ease off moderately. Canadian Canners preferred moved up on good demand. Canadian Bakeries common was off a point, but the preferred advanced to the same extent. City Dairy common was called for and advanced two points to 77.

Power Stocks Show Advance

In the utilities group the power stocks were firm to strong with a number of moderate advances recorded. A weak point in this group was the usually stable Mackay common which slumped badly on the announcement of the new beam radio service which, it is evidently expected, will have some effect on international cable business. Opinions differ on this point but some holders seem to be taking no chances. In the tractions Brazilian developed further strength on the recovery and Twin City and Winnipeg Electric also went higher, but Barcelona and Montreal Trams were reactionary.

Dominion Textile was a strong feature of the textile group and a number of others went higher. Penmans was unchanged. Possibly the prospect for cheap cotton had something to do with the situation.

The weighted index number of the 25 best-selling industrial and public utility common stocks on the Montreal and Toronto exchanges, computed by the Dominion Bureau of Statistics, was little changed last week, as compared with the week ending October 16, being 204.5 for the latter week and 204.8 for the week ending October 23.

The weighted index number of the volume of stocks traded fell from 115.1 to 63.7, and that for the total value of stocks traded fell from 235.4 to 130.4 for the same period.

Look for Good Steamers' Year

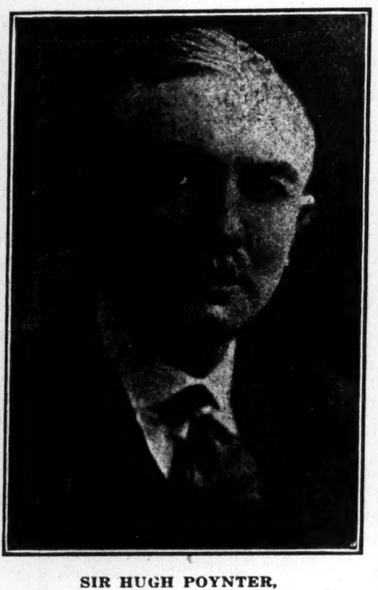
According to latest reports, Canada Steamships Company is almost certain to have a banner year, says McCuaig Bros. & Co. in a recent bulletin. Freight rates during the autumn grain movement are reported to have been very satisfactory. Persistent accumulation of the preferred and common is going on, and the former is being tipped off for par or over. When the extra 20 per cent. of preferred stock is distributed, the cost of stock purchased at par will be reduced to around 83, so that this prediction would not seem at all unreasonable. The common stock also looks like working higher.

Specialize in Real Estate Auctions

A. M. Mahaffy, Limited, a firm specializing in selling real estate at auction under modern methods, has opened offices at 2 Court St., Toronto. The members of the organization have had considerable experience in selling real estate in Canada and the United States, several of the staff of the organization having been with the firm for periods of ten to twenty years. A specialty will be made of selling subdivisions, tracts of lots and business properties at public auction sale, under the system used so successfully in the larger cities of America.

A.J.Pattison, Jr. & Co.
MEMBERS
Toronto Stock Exchange
Montreal Stock Exchange
Montreal Curb Market
Specialists Unlisted Bonds and Stocks
219 Bay Street, (Ground Floor) Toronto Elgin: 5101-5102-5103 5104-5105-5106

No Compromise in Security Values
DEMAND STERLING REPORTS
CERTIFIED REGISTERED PROFESSIONAL ENGINEERS
Sterling Appraisal Company Limited
9-11 E. Wellington St. Toronto



SIR HUGH POYNTER.
Since 1919, head of Baldwin's Canadian Steel Corporation, who goes to Australia to control his company's distribution there.

GOODYEAR TIRE'S PROFITS INCREASE $750,000 IN YEAR

Working Capital Position Also Shows Big Improvement

Goodyear Tire and Rubber Company's financial statement for the year to September 30 measures up to all that was expected of it. It ranks as one of the industrial achievements of the year.

The profit and loss account, which covers the twelve months ended Sept. 30, 1926, shows profits, after providing for all manufacturing, selling and administrative expenses and for income taxes, of $2,246,640, compared with $1,462,851 in the previous year. These do not include export profits for August and September. The amount set aside for depreciation was $589,275, as against $413,411 in 1925, leaving a net profit of $1,657,365, which represents an increase over the previous year of $607,924.

These high earnings were made from a profit on sales, before providing for dividends, of only 6.46 per cent., which is a very small return for any industry. By rapid turnover and economy in operating, the company has been able to sell to the Canadian public at a very reasonable price, especially as compared with the prices in the United States, where they have practically all their material and equipment duty free; have no sales tax whereas Canada has a 5 per cent. tax. The company's sales during the past year were the largest in its history, totalling about $26,000,000.

Big Increase in Surplus

Profits were equivalent to 3 1/5 times the annual dividend requirements for the prior preference and preferred stocks. After providing for all preferred dividends, including $157,500 on account of arrears, there remained to apply to the common stock $977,877. This amount was added to surplus, bringing that account up to $3,105,025.

Profit and Loss

	1926	1925	1924
Profits ...	$2,246,640	$1,462,852	$1,275,377
Depreciation	589,275	413,411	437,643
Net profits	$1,657,365	$1,049,441	$ 837,734
Pref. dividends	679,488	679,488	600,738
Balance	$ 977,877	$ 369,953	$ 236,996
Prev. balance	2,127,148	1,757,195	1,520,199
	$3,105,025	$2,127,148	$1,757,195

Analysis of the balance sheet reveals improvements in the financial position of the company. In addition to accumulated undivided surplus of $3,105,025, the reserve for depreciation on plant and equipment stands at $2,455,892, making the combined reserve and surplus $5,560,918. Considerable amounts were written off for obsolescence, making the property absolutely free from obsolete equipment. The year closed with inventories low and stocks of unsold goods light.

Working Capital Up $1,000,000

An expansion of $1,048,612 was shown in net working capital, bringing the total to $6,118,746.

	1926	1925	1924
Curr. assets	$7,385,784	$6,770,847	$5,651,776
Curr. liab.	1,325,537	1,565,773	776,116
Work cap.	$6,060,247	$5,205,074	$4,875,660

A comparison of the report for the year with past statements indicates the improvements that have taken place in the company's affairs. In the past five years net investment in property and plant has increased $989,806, working capital has grown by $3,069,334, while $2,834,760 has been distributed in dividends during the period.

The excellent results of the past year were attained in face of a constantly declining rubber market, a gradual recession having occurred from a high point of $1.14 per pound to a low point of 37½ cents.

One item that disappeared from the balance sheet is "reserve for contingencies, $175,311," which had been provided for a loss on a power contract, on which settlement has been made for considerably less than the reserve, and the balance has been credited to plant investment.

Capacity of the Goodyear Cotton Company of Canada has been increased from 15,000 spindles to 20,000 and the plant showed a good profit during the year. After paying bond interest and preferred dividends, profits reverted to Goodyear Tire & Rubber Company of $51,250.

Southern Canada Power Dividend

Southern Canada Power directors have declared an interim dividend of $4 per share on the no-par-value common shares of the company. The dividend is payable November 15 to holders of record October 30.

Invest in Canada

The following securities are well diversified in location, covering the provinces of Quebec, Ontario, Manitoba, Alberta and British Columbia. They are those of basic Canadian industries and bear our recommendation.

Par Value			Maturity	Price	Amount	Annual Interest
$1,000	Southern Canada Power Company Limited	5%	Oct. 1955	$97.00	$ 970.00	$50.00
$1,000	Manitoba Power Company Limited . . .	5½%	Jan. 1951	98.00	980.00	55.00
$1,000	Ottawa and Hull Power Company Limited	6%	Aug. 1948	105.00	1,050.00	60.00
$1,000	St. Lawrence Paper Mills Limited . . .	6%	Mar. 1946	98.50	985.00	60.00
$1,000	Canada Steamship Lines Limited . . .	6%	Oct. 1941	97.00	970.00	60.00
$1,000	Ottawa-Montreal Power Company Limited	6½%	June 1949	103.00	1,030.00	65.00
$1,000	Ottawa River Power Company Limited .	6½%	Dec. 1953	103.25	1,032.50	65.00
$1,000	Canada Northern Power Corp. Limited .	6½%	May 1941	100.00	1,000.00	65.00
$1,000	Northwestern Utilities Limited	7%	June 1938	101.25	1,012.50	70.00
$1,000	East Kootenay Power Company Limited .	7%	Apr. 1942	105.00	1,050.00	70.00
$10,000					$10,080.00	$620.00

Average Yield 6.15%

If desired, investors can procure this identical diversity by purchasing smaller denominations.

We invite your inquiries for investment service.

NESBITT, THOMSON & COMPANY
LIMITED
Royal Bank Building, TORONTO, 2
Montreal Quebec Ottawa Hamilton London, Ont. Winnipeg

323

November Dividend Payments

Dividends	$ 3,941,166
Bond interest	41,165,838
	$45,107,004

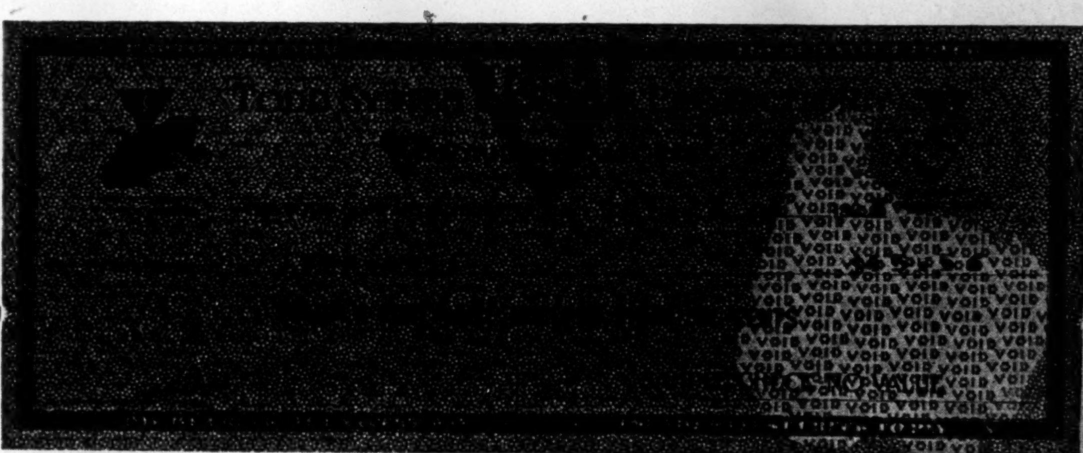
Company	Rate	Date	Amount
Amer. Salesbook, pref.	1¾q	1	$ 53,782
Arnold Bros., 1st pref.	1¾q	1	8,750
Do., 2nd pref.	2q	1	4,700
Canada Cement, pref.	1¾q	16	183,750
Can. Converters	1¾q	15	30,335
Can. Oil, com.	1¼q	15	20,000
Cedar Rapids	¾q	16	66,750
Chase, A. W., pref.	2q	1	16,000
Christie Brown, com.	30c.q	1	23,567
Do., pref.	1¾q	1	15,424
Dominion Bridge	1q	15	65,000
Gosse Packing, pref.	1¾q	1	26,250
Hollinger Mines	2%m	4	492,000
Humberstone Shoe, com.	50c.q	1	5,000
Do., pref.	2q	1	6,000
Imperial Bank	3+1q	1	280,000
Inter. Nickel, pref.	1½q	1	133,689
Kelvinator, pref.	1¾q	15	14,000
Lew's Buffalo, pref.	2q	1	26,720
Massey-Harris, pref .	-¾q	15	211,572
Montreal L. H. Cons.	50c.q	15	1,000,000
Montreal Power	2q	16	376,000
Mont. W. & Pr., com.	62½c.q	15	19,600
Do., pref.	1¾q	15	8,750
Muirhead's Cafet., pref.	25c.q	1	8,750
Mortgage Corp. of N.S.	1½q	1	9,312
National Brick, com.	1¾q	15	58,443
Ontario Steel, com.	1q	15	7,500
Do., pref.	1¾q	15	13,125
Penmans, com.	2q	15	43,012
Do., pref.	1½q	1	16,125
Pure Food Stores, pref.	1¾q	1	3,062
Do., 2nd pref.	1¾q	1	3,500
Russell Motor, pref.	1¾q	1	21,000
Sherbrooke Trust	3s	1	7,500
Simpson, Robt., pref.	3s	1	100,500
South. Can. Power, com.	$1s	15	60,000
St. Law. Flour, pref.	1¾q	1	10,062
Steel of Can., com.	1¾q	1	201,250
Do., pref.	1¾q	1	113,684
Standard Bank	3q	1	144,702
Supertest Petetrol., com.	50c.y	1	12,500
Do., pref. "A"	3½s	1	13,500
Do., pref., "B"	3s	1	6,000
Total			$3,941,166

q—Quarterly.
s—Half-yearly.
y—Yearly.
m—Monthly.

BOND Interest Due in November

Company	Rate	Due	Amount
Atlantic Coast Coll.	7	1944	$ 175,000
Alexandra Apart.	6½	1940	13,125
Belding Corticelli, pref.	5	1936	10,010
Brompton Pulp	6	1935	24,510
Do.	8	1941	62,188
B.C. Pulp & Paper	6	1950	111,225
Canada Biscuit	6½	1946	52,000
Canada Nor. Power	6½	1941	81,250
Canada Steamship	7	1942	178,647
Canadian Salt	7	1941	22,295
Cascade W. & Pr.	4½	1940	3,802
Consumers Glass	6	1935	16,500
Dominion Park	7	1936	3,850
Duke Price Power	6	1966	1,110,000
Duluth Superior	5	1930	22,800
Duluth St. Rly.	5	1930	62,500
Davies, Wm.	6	1942	68,250
Granby Cons. Mining	6	1928	40,682
Kaministiquia	5½	1950	45,556
Manitoba Power	7	1941	262,500
Mercury Mills	6½	1942	24,960
Montreal Cotton	5	1943	15,972
National Cement	7	1938	52,500
Penmans	5	1926	50,000
Porto Rico Rlys.,			
1st mortgage	5	1936	55,200
Do., refund. mtge.	5	1962	32,246
Provincial Paper	6	1940	41,610
Span. River Pulp	8	1941	115,320
St. John City	4	....	2,962
Wabasso Cotton	7	1942	24,517
Wahnapitae Power	6½	1944	16,250
Corporation Bonds	...	....	2,797,281
Victory Loan	5½	1933	12,283,254
Do.	5½	1934	14,077,541
Do., renewal	5½	1927	799,381
Do., renewal	5½	1932	2,348,381
Dom. 3-year notes	4	1927	160,000
Dom. Loan, N.Y.	5	1952	2,500,000
Municipal Bonds	...	....	x3,400,000
Provincial Bonds	...	....	x2,800,000
Total			$41,165,838

x—Figure is determined by dividing by 12 the estimated total interest payable during the year on these issues.



YOUR CHECK IS CURRENCY

Do you realize that your signed check for any amount you have in the bank is **your personal currency**, subject to the same hazards as a government bank note? The government takes unlimited precautions to protect its currency. What precautions are you taking to protect your checks?....... The best is none too good for the government.

The **best** is none too good for you.

Todd Greenbac Checks are the safest known, because:

The paper itself cannot be obtained in blank. This prevents counterfeiting.

Every check made for you on Greenbac is delivered to you in a sealed package. No one can get one of your check forms from us. This minimizes the possibility of forgery.

The complicated dot pattern on the face of the check cannot be restored, once it is marred. This prevents alteration by ordinary erasure.

Beneath the dot pattern on each check are 700 imprints of the word "VOID" which flash out when ink eradicator is applied. Try it yourself.

On merit rating, Todd Greenbac receives the highest Standard Forgery Bond discounts given to any protective paper.

Todd Greenbac Checks are printed or lithographed to your order, in many colors, in standard or individual designs.

THE TODD SYSTEM OF CHECK PROTECTION

The TODD PROTECTOGRAPH

The New Pasigraphic model writes the entire amount of the check — the date, the payee, the figure amount and the written amount. It gives 100% mechanical protection on the face of the check. It can also be used on certificates, or any form of negotiable paper.

Machines Priced from $22.50 $120.00

Send for copy of booklet "THE LURE OF THE CHECK"

IN ONTARIO
GORDON V. PURVES,
Dealer in the Products of the Todd Company,
98 Wellington St. W., Toronto.
Gentlemen:
Please send me a copy of your booklet, The Lure of the Check.
Name ....
Address ....

IN QUEBEC
THE TODD SALES CO., Montreal,
Dealers in the Products of the Todd Company.
207, St. James Street, Montreal.
Gentlemen:
Please send me a copy of your booklet, The Lure of the Check.
Name ....
Address ....

Textiles

FULL CAPACITY FOR ATLANTIC UNDERWEAR CO.

Bright is Outlook for Moncton Knitting Industry

From Our Own Correspondent.

MONCTON, N.B. — The Atlantic Underwear Company's plant is operating at full capacity. During the last eight months, business has come with a constant rush, so that much overtime has been necessary. This augurs well for the company's financial year which ends on November 30. The earnings will be much larger than last year,—at least an increase of twenty per cent. is confidently expected. That being so it is only a question of time until dividends are resumed.

This now flourishing industry was established in 1912. Its output is composed of full lines of wool, worsted, cotton and rayon. The annual turnover of the plant when it is running full capacity is well over a million dollars.

The chief market for its products is in the Canadian West and the Pacific Coast. This business is increasing all the time. The market is held there by reason of differentials in freight rates which are so arranged that these Eastern manufacturers can land goods there cheaper than in the central regions.

Importance of Moncton City

This industry is of great importance to the City of Moncton and to the Maritimes as a whole. To the city, it is an industry employing on an average over three hundred hands. The company has pioneered along the lines of advanced welfare work. In this connection, a $75,000 Hostel has been erected for the out-of-town girls, where board is furnished at actual cost to the members.

Atlantic Underwear was first attracted to Moncton by reason of the fact that it could get cheap power developed from natural gas. Even now the cost is only $10 a horse power. Then there was the fact that it was an excellent distributing centre. Moncton is the geographical centre of the Maritimes. A glance at a radius map shows that all the important localities are well within a two hundred mile circle. The abundance of labor was another important factor in bringing this industry to Moncton.

The products of the company, consisting of underwear, hosiery, sweaters, mitts and yarn, etc., rarely reach the consumer under the name of Atlantic Underwear. The firm sells to the wholesalers exclusively, who often sell under their own names.

Penman's Bond Issue Gets Shareholders' O.K.

Formal ratification was given by shareholders of Penman's, Ltd., at a special general meeting to a by-law authorizing the issue of $2,000,000 of 5½ per cent. 25-year bonds for the purpose of redeeming the present issue of $2,000,000 5 per cent. first mortgage bonds, due November 1. The new issue will carry a sinking fund of 1 per cent. per annum, which will retire about one-half of the issue during the life of the bonds and will be redeemable at 110 during the first 15 years, 105 during the next nine years and at par during the last year.

Sir Charles Gordon, president, in submitting the resolution, stated that the directors considered this form of financing to be in the best interests of the company. Consideration had been given to a stock issue, but it had been decided to issue bonds, as the latter would not be subject to income tax. In reply to a shareholder, who took some exception to the amount of the issue, the president explained that it was necessary in order to provide for expansion of plant without impairing the working capital of the company. As illustrating the proof in the company's business, it was stated that in 1906 the gross business handled had been $2,407,000, while in 1925 this had increased to $6,431,000. A bond issue for any less amount was therefore inadequate.

Dominion Financial Splits Stock, Enlarges Activities

Substantial enlargement of the activities of Dominion Financial Corporation of Montreal is forecast by announcement made this week.

Plans have been completed for a reorganization of the company, which involve a change in capital structure and the formation of a new company to operate under the same name. The present company was formed under federal charter, which made dealings in mortgages difficult. A Quebec charter has now been applied for, which provides for the issuance of 200,000 shares of no par value common stock.

Holders of the present issue of $300,000 of 8 per cent. cumulative preferred stock will receive three shares of no par value common stock of the new Quebec company, and holders of the 20,000 shares of no par common will be entitled to exchange their stock on a two for one basis. When the exchange into the new security has been affected, there will be approximately 45,000 shares of new stock outstanding, and the balance will be retained in the treasury. The reorganized company will also assume the $200,000 of 6½ per cent. debenture bonds of the present company.

A public offering of the new common stock of the company will be made in the United States at $25 per share, and it is the intention later on to have it listed on the Boston and Montreal curb markets. It is expected to have all arrangements completed within three months.

D. J. McDougald J. B. McArthur
Government, Municipal and Corporation
BONDS
D. J. McDougald & Co.
Trusts and Guarantee Bldg.,
302 BAY STREET. ELGIN 2278
The Partners Personally Advise as to Investments.

Host of Secretaryships Now for L. C. Haskell

A. J. Nesbit, president of the Power Corporation of Canada, announced this week that L. C. Haskell has been appointed secretary of the company to succeed K. S. Barnes, resigned, and that C. Johnstone had been appointed treasurer with M. M. Cox, assistant secretary, and F. D. Lamont assistant treasurer.

Mr. Nesbitt also announced that Mr. Haskell had been elected a director and secretary of the following companies, to succeed K. S. Barnes: East Kootenay Power Co., Limited; Ottawa-Montreal Power Co., Limited; Porcupine Power and Telephone Company, and Quintze Power Company, Limited.

Less Than Half Million Of Belgian Loan Gold In Canadian Market

Canadians got only a small part of the Belgian stabilization loan. There was a brisk demand for the bonds in Canada due to the splendid backing of most of the leading banking houses of the continent, but Canadians came off second best in the allotments and outside estimates have it that up to $500,000 of the bonds reached this country while other estimates are that only about $300,000 came.

The amount of the loan was $50,000,000 from American houses; £7,250,000 from England; £1,250,000 from Holland; 32,000,000 francs from Switzerland and 9,000,000 kronen from Sweden.

Proceeds are being paid over to the National Bank of Belgium which is using the funds in the stabilization of Belgium's new currency, the "Belga."

Seven per cent. bonds, due 1956, were offered on this continent at 94, yielding 7.50 per cent.

Frontenac Breweries' Surplus Cut to Bone

Frontenac Brewery's annual report shows clearly the futility of the price war as an aid to business profits. The report covers the year to Dec. 31, 1925, and has been delayed in its appearance. The price war in beer in Montreal ran from May to August, 1925, prior to new interests coming into Frontenac.

Profits for the year were $40,738, and the profit and loss surplus has been practically wiped out by various deductions, including a large sum written off advertising material on hand.

Comparative figures:

Profit and Loss

	—Year Ended Dec. 31—		
	1925	1924	1923
Net prof.	$ 40,738	$200,162	$315,608
Interest	81,196	73,748	63,749
Balance	x40,458	135,414	251,859
Deprecn.	93,034	94,320	93,980
Balance	x133,492	41,094	157,879
Bnd. D. res.	5,000	....	3,177
Balance	x138,492	41,094	154,702
Pfd. divids.	26,250	24,937	21,000
Balance	x164,742	16,157	133,702
Prior surp.	x176,261	309,255	286,118
Total surp.	11,519	325,412	419,820
P. div. arrears	....	105,000	63,000
Balance	11,519	220,412	356,820
Bond disc.	......	....	40,000
P. and L. bal.	11,519	220,412	316,820

xDeficit. xAdjusted.

Working Capital

	——December 31——		
	1925	1924	1923
C. assets	$526,865	$581,427	$622,154
C. liabs.	436,718	228,320	133,206
Net w. cap.	126,147	353,107	488,948

Credit Anglo-Francais Opening Montreal Office

Crédit Anglo-Francais, of Quebec, has decided to open up a Montreal office on the 1st of November at 99 St. James Street.

This company was organized in 1919, with head office in Quebec city, and has specialized in the purchase and distribution of municipal and corporation bonds, also religious real estate bonds. Directors of the company are: J. P. Kempf, president; Gaston Pratte, vice-president; J. C. Boulet, sec-treas.; Robert Taschereau, director, and C. W. S. Dunn, director.

The Quebec office will remain in charge of Mr. Boulet, and the Montreal office will be in charge of Mr. Kempf, assisted by J. A. Coté, formerly of Crédit-Canada.

The policy of the house will remain the same, that is underwriting and distributing high-grade securities. The company has been for a number of years a member of the Investment Bankers' Association of Canada.

Cosgrave Brewery Had Lower Profits in 1926

Annual report of the Cosgrave Export Brewery Co., Ltd., shows a further decrease in profits for the current year, which ended Aug. 31. Profits for 1926 stood at $48,576, as against $68,249 in 1925, and, after paying a 5 per cent. dividend, which amounted to $50,000, the profit and loss balance for the year stood at $62,945, as against $67,769 in 1925. The earnings of the company during the last three years were as follows:

Profit and Loss Account

	1924	1925	1926
Profits	$102,970	$ 68,249	$ 48,577
Tax adjust.	......	45	859
	$102,970	$ 68,294	$ 49,436
Bal. forward	49,315	76,436	67,769
	$152,285	$144,730	$117,205
Tax res.	15,850	6,962	4,261
Dividends	59,999	70,000	50,000
	$ 76,436	$ 67,769	$ 62,945

UNLISTED SECURITIES

	Bid	Asked
Can. Machinery, com.	3	5
Can. Westinghouse, com.	167	171
Cos Imp. Mills, com.	15	16½
Dom. Power, pref.	99	..
Farmers Dairy, com.	50	..
Dunlop Tire, pref.	83	87
B. Greening Wire, pref.	92	95
Gunns, Ltd., pref.	28	30
King Edward Hotel, Deb. A	78	81
King Edward Hotel, Deb. B.	59	63
Loew's Buffalo, pref.	55	60
Loew's London, com.	3¾	4¼
Mount Royal Hotel, com.	4	5
Nat. Grocers, 1st pfd.	92	97
Nat. Grocers, com.	2	5
Willard's pref.	65	71
Capital Life 25% paid	21	25
Continental Life 20% Paid	37	..
Crown Life	128	..
Empire Life	25	30
Excelsior Life 29% Paid	63	..
Great West Life	410	..
Monarch Life 10% Paid	29	33
Mortgage Discount, pref.	7	7½
Ontario Equitable	21	25
Re-Insurance	21	25
Security Life 40% Paid	28	32

Stock Market Record

WEEK ENDING OCTOBER 26

	Div. Rate	Yield Oct. 25	High for wk.	Low for wk.	Close Oct. 26	Close Oct. 19	Sales for wk.	Range, 1926 High	Low
Banks—									
Commerce	12+1	5.87	222	220½	222	220	73	226	214
Dominion	12+1	6.21	209	209	209	209	47	219	207
Can. Nationale	10	6.28	159	159	159	158	19	170	157
Imperial	12+1	6.50	202	200	200	202	70	215½	200
Montreal	12+2	5.16	272	270	270	271	231	275	251½
Nova Scotia	16	5.48	291	289	289	289	14	300	281
Royal	12+2	5.51	255	254	254	253	46	255⅛	248
Standard	12	6.31	191	190	190	190	35	200	189½
Toronto	12	5.45	221	220	220	220	139	222	213
Paper—									
Abitibi, com. (no par)	4	4.32	93	89¼	91¾	89½	3981	98	70¼
Do. pref.	7	6.19	113	112	113	111	20	116	106¾
Belgo-Can., pref.	7	6.86	102½	101	102¼	101½	493	102½	95¾
Brompton (no par)	.	...	36½	34	36¼	35	2539	38½	26
Laurentide	6	5.63	107¾	105	106½	106½	3406	114¾	81½
Price Bros., com.	2	2.85	70¼	70	70¼	70	30	76¾	57
Do. pref.	6½	6.37	102¼	101	101	102	190	102½	95
Prov. Paper, com.	6+1	6.36	110	110	110	114	110	114⅝	100
Do. pref.	7	6.66	105	105	105	106	10	106½	100
Smith, Howard, com.	.	...	54	54	54	54	15	58¾	38
Do. pref.	8	7.92	101	100	100⅝	100½	90	105	92¾
Span. River, com.	7	6.66	105	103¼	105	104½	1268	111¾	96½
Do. pref.	7	6.11	114¾	114¼	114¾	114	182	120	108
Wayagamack	.	...	100	98	100	95	1119	100	56
Steel and Steel Industries—									
B.E. Steel, com.	.	...	½	½	½	½	120	3½	¼
Do. 1st pref.	.	...	10½	9⅞	10½	10½	70	30	9
Do. 2nd pref.	.	...	1¼	1¼	1¼	1½	270	10¾	1
Can. Car & Found., com.	.	...	40	39	40	40	284	49	33
Do. pref.	7	8.45	83	82	83	82	468	88	73
Can. Fairbanks, pref.	.	...	..	...	...	...	...	60	60
C.G.E., com. (par $50)	.	...	53	52½	52½	52⅞	20	53	47
Do. pref. (par $50)	7	6.14	57	56½	57	56	307	60	53½
Can. Locomotive, com.	.	...	40	40	40	40	75	42	30
Do. pref.	7	7.95	88¼	86	87¾	88	65	89½	73
Canada Iron, com.	.	...	..	...	...	...	...	10	9
Do. pref.	.	...	..	...	...	...	...	42½	39
Can. Forgings, com.	.	...	..	...	...	...	...	15	8
Can. Forgings, pref.	.	...	65	60	65	63	53	65	41½
Dominion Coal	.	...	52	51½	52	51½	81	52	40
Dominion Iron, pref.	.	...	..	...	...	...	...	24¾	5
Dominion Bridge	4	3.64	110½	109¾	110	110	371	112¼	80
Dom. Radiator, pref.	7	6.89	..	...	...	...	...	108½	100¼
Dom. Steel Corp., pref.	.	...	16½	16½	16½	16½	20	25	10⅝
Ford Motor	10	...	..	...	...	...	...	622	500
McKin. Ind. c. (no par)	.	...	27⅝	27⅝	27⅝	28½	25	31½	15
Do. pref.	7	7.25	96½	96	96½	95	40	96½	87
Voting Trust	.	...	28	26¾	27¼	28	120	30¾	26¾
Massey-Harris, com.	.	...	68½	67	67	68½	246	73	40
Do. pref.	7	6.86	102	101¼	102	101½	56	102	93
N.S. Steel, pref.	.	...	..	...	...	...	...	25	25
Ontario Steel, com.	4+1	6.66	75½	75	75	75¾	95	78½	60
Do. pref.	7	7.00	..	...	...	...	...	103	98
Russell Motor, com.	3	6.00	..	...	...	...	...	50	39
Do. pref.	7	7.56	92½	92½	92½	91¼	55	93	76
Sawyer-Massey, pref.	.	...	..	...	...	...	...	13	5
Steel of Canada, com.	7	6.48	108½	107½	108½	107⅝	377	109½	95⅛
Do. pref.	7	5.78	122	121	122	121	11	123	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	19	18	18¼	19	506	26⅝	18
Do. pref.	7	8.11	88	86¼	86¼	88	100	92	86¼
Atlantic Sugar, com.	.	...	24¼	23¼	24¼	24	402	32⅞	21½
Do. pref.	.	...	79½	79⅛	79½	80	70	88	75
B.C. Fishing	5	7.01	71¾	70	70½	71⅜	1505	78	57¼
Can. Bread, c. (no par)	$2.50	2.82	88½	88½	88½	88½	60	95	53
Do. pref. (A)	7	6.39	109½	109½	109½	109½	47	112	105
Do. pref. (B)	7	6.66	105	105	105	105¼	35	107	96¼
Can. Canners, com.	.	...	..	...	...	...	...	15	12
Do. pref.	4	5.97	67	65¾	67	65½	452	70	60
Canadian Salt	8	6.40	125	125	125	125	10	145	124
Christie Bis. c. (no par)	.	...	..	...	...	...	...	63½	35
Can. Bak. c. (no par)	.	...	34	33½	33½	34½	60	37¾	26½
Do. pref.	7	7.21	97	95½	97	96	60	97	92
City Dairy, c. (par $25)	12	3.94	77	76	77	75	40	82½	65½
Do. pref.	7	6.30	..	...	...	...	...	112	107
Cuban Can. Sugar, com.	.	...	3¼	3¼	3¼	3	35	5	3
Do. pref.	.	...	25	25	25	23	40	28	21
Dom. Stores, c. (no par)	$2.40	4.00	60	60	60	60½	6	68	56
Wm. Davies (A) (no par)	.	...	30	29¾	30	29¾	210	37¼	27½
Inter. Milling, pref.	7	6.93	102	101	101½	102	28	105¼	98½
Lake of Woods, com.	12	8.00	150	148	150	145	50	175	139
Do. pref.	7	6.03	116	116	116	116	10	118	115
Loblaw, com.	$1.00	2.22	45	44	44	45	83	55	29¾
Do. pref.	7	6.68	104¾	104¾	104¾	104¾	5	104¾	100½
Maple Leaf Mill, com.	.	...	71	70	70	70	145	88	50⅛
Do. pref.	7	7.36	97¼	95	97	97	61	102	90
Ogilvie Flour, com.	5+5	2.63	190	185	190	185	250	200	165½
Do. pref.	7	5.93	..	...	...	...	...	125	117
Pure Gold Mfg. (no par)	.50c	...	19	19	19	19	50	23½	17½
Shred Wh., c. (no par)	75c.	5.66	53	52	53	53	278	54	47½
St. Law. Flour, com.	.	...	35	31	34	31	415	45	26
Do. pref.	7	8.59	..	...	...	...	...	84	80
Viau Biscuits, com.	.	...	25	25	25	25	20	28	18
Do. pref.	7	8.04	87	87	87	87	1	89	85
West. Groc. c. (new)	.	...	28¾	27	28¾	29½	173	30	24
Do. pref. (new)	7	9.33	76½	75	75	75	12	80	62
Do. com. old	.	...	..	...	...	...	...	13¼	4
West. Can. Flour, com.	35c	...	25	23½	24½	23	551	25	18
Do. pref.	6½	6.50	100	100	100	99½	15	100	97⅝
General Utilities—									
Bell Telephone	8	5.73	139½	137⅝	138½	138	407	141	136
Consumers Gas	10	5.78	173½	173	173	173	67	183⅞	170
Inter. Util. (A) (no par)	87½c	...	..	...	...	...	...	38½	30
Cedar Rapids	.	...	..	...	...	...	...	50	40
East Koot. Power	.	...	..	...	...	...	...	33	25
Jamaica Pub. Ser., pref.	7	7.21	97	96½	96½	96	33	99¼	96
Laurentide Power	5	4.16	120	120	120	121	60	130	100
Mackay, com.	7	5.40	131½	121¼	123⅝	132	2497	138½	121¼
Do. pref.	4	5.71	70½	70	70	70	400	73½	68¾
Mexican Light, com.	.	...	..	...	...	...	...	33	29
Do. pref.	.	...	82	81	82	81	125	86	64
Mont. L. H. & Pr., com.	.	...	74½	73½	73½	73	6480	75	59
Do. pref.	.	...	50½	50½	50½	50½	143	50½	48½
Mont. Teleg. (par $40)	8	6.66	48	48	48	48	5	51½	47
Ottawa L. H. & Pr., com.	6	6.21	96½	96½	96½	96½	25	100	92
Do. pref.	6½	6.31	103	102	103	102⅛	8	105½	100
Quebec Power, com.	6	3.63	165	164	165	165	54	171	113
Do. pref.	7	6.08	117	114¾	117	114½	96	117	109½
Shawinigan	8	3.27	244	240	242½	243	824	251	167½
Do. Rights	.	...	9½	9	9½	9⅛	3081	10	6½
South. Can. Power, com.	2	2.23	90	89	89	90	70	98	81
Do. pref.	6	5.94	101	100	101	101	13	104½	99
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	30¾	25
Transportation—									
Can. Pacific Rly.	10	6.09	165	162½	163	162	378	169	147
Can. Steamships, com.	.	...	30	27	29¾	27¼	4065	30	11
Do. pref.	.	...	94	89¾	93⅞	90	10240	94¼	56
Do. voting	.	...	28½	26½	28½	26	490	29⅝	11
Tractions—									
Barcelona (par $50)	.	...	36¼	36¼	36¼	38½	35	40½	26
Brazilian, com.	5	4.54	110	103¼	108	103⅛	45898	123½	80
Do. pref.	6	5.76	104	103¼	103¼	104½	165	108	97½
Detroit Un. Rly.	.	...	..	...	...	...	...	3½	1½
Duluth-Superior	.	...	..	...	...	...	...	33¼	25
Illinois Traction, pref.	6	5.97	..	...	...	...	...	100½	96¼
Montreal Trams	10	5.81	173½	172	173½	185	16	190	159
Ottawa Traction	4+1	6.84	73	73	73	73	10	74½	60
Porto Rico Rlys., com.	.	...	42½	42½	42½	42½	7	47	40
Do. pref.	7	7.82	..	...	...	...	...	91	85½
Twin City, com.	5	8.43	62	58½	61¾	59½	711	79½	58
Do. pref.	7	6.86	..	...	...	...	...	103	102
Winnipeg Elec., com.	1	...	58¼	57	58¼	57½	2520	60	45¼
Do. pref.	7	6.93	101	100½	101	101⅝	310	103	95
Montreal Tram. Rights	.	...	12½	12	12	12	657	12½	12
Textiles—									
Can. Conn. Cotton, pref.	.	...	..	...	...	...	...	49	35
Can. Converters	7	7.44	94½	94	94½	93	145	95	90
Can. Cotton, com.	8	7.04	113½	113	113	113	25	124	113
Do. pref.	6	6.48	92½	92½	92½	94	60	99½	92½
Can. Woollens, com.	.	...	..	...	...	...	...	8	4
Do. pref.	.	...	50	50	50	49½	97	50	45
Dom. Textile, com.	5	5.43	92	89	92	89	502	99⅛	89
Do. pref.	7	5.93	118	118	118	116¼	32	122	115
Monarch Knitting, pref.	.	...	..	...	...	...	...	50	30
Montreal Cottons, com.	6	5.19	..	...	...	...	...	115½	102
Do. pref.	7	6.11	..	...	...	...	...	115½	110
Penmans, com.	8	4.44	180	179⅞	180	180	80	191	173
Do. pref.	6	5.88	..	...	...	...	...	104½	101½
Wabasso Cotton	4	5.61	72	70	72	71	95	79	60
General Industrials—									
Amer. Sales, c. (par $20)	4	6.25	65	64	64	66	35	70	54
Do. pref.	7	7.25	97	96¼	96½	97	31	98	92
Asbestos Corp., com.	.	...	23⅛	20½	23	20½	4469	24½	16½
Do. pref.	7	8.97	79¾	75	79⅜	74½	3577	79¾	62
Burt, F. N., com.	12	5.60	53½	53¼	53¼	53	207	67½	50
Burt, F. N., pref.	7	3.33	210⅛	210⅛	210⅛	...	3	210⅛	210⅛
Building Products, pref.	7	7.56	..	...	...	...	...	93	83
Brant Cord. pf. (par $25)	8	8.00	25	25	25	25	180	27½	24½
Canada Cement, com.	6	5.49	109¼	107½	108	107	425	111½	98
Do. pref.	7	6.00	117	116¼	117	116	82	120	113
Dom. Rubber, pref.	7	...	..	...	...	...	...	87½	80
Can. Ind. Alc. (no par)	$1.28	5.23	25	24	24½	24½	5317	25	16¼
Crow's Nest Coal	6	8.95	..	...	...	...	...	85	51
Dom. Glass, com.	7	8.00	89	81	85	81	1426	105	81
Do. pref.	7	6.73	104	104	104	103	25	111	103
East. Theat. c. (par $25)	.	...	..	...	...	...	...	30	18¾
Do. pref.	7	...	..	...	...	...	...	93½	83
Famous Players, com.	.	...	20	20	20	21	15	21	11
Do. pref.	8	8.51	94	93	94	93¼	532	94¼	88
Gilman, com.	6	4.76	..	...	...	...	...	127⅛	104½
Do. pref.	7	5.34	131	130	130	130	20	131	113½
Goodyear Tire, pref.	7+3½	7.80	95¼	94¾	95	94¾	277	99¼	85
Holt Renfrew, pref.	7	...	..	...	...	...	...	90	84½
King Ed. Hotel	.	...	32	32	32	30	17	41	25
Kelvinator, com. (no par)	.	...	16	16	16	16	10	20½	14
Do. pref.	7	7.31	95¾	93½	93½	93	39	95¾	88
Lyall Construction	.	...	..	...	...	...	...	48	20
Nat. Brew. c. (par $25)	4	5.88	68¾	67	68	67¼	2620	72	56
Do. pref.	7	6.86	102	101¾	102	104	261	110	101¾
National Brick, com.	.	...	8	8	8	8	42	12½	8
Do. pref.	7	...	..	...	...	...	...	72	60
Pacific Burt, com.	6	6.52	..	...	...	...	...	110	90
Do. pref.	7	6.63	..	...	...	...	...	110	102
Port Hope Sanitary, com.	8	....	..	...	...	...	...	100	74½
Do. pref.	7	6.86	..	...	...	...	...	105	99
Rogers, Wm., com.	.	...	60	60	60	60	5	67	45
Do. pref.	7	7.44	94	90	94	94½	47	97	90
Sher.-Williams, com.	6	4.33	138½	138½	138½	138½	10	148	125
Do. pref.	7	6.08	117	117	117	114½	10	117	110½
Sterling Coal	4	10.56	..	...	...	...	...	43	37
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	64	63½	64	63	25	64	56
Tuckett Tobacco, com.	4	6.34	63¾	63	63	64	117	65	58
Do. pref.	7	6.93	101	101	101	100⅞	9	105	100
Loews, com.	.	...	..	...	...	...	...	40	36
Do. pref.	.	...	..	...	...	...	...	93½	90
Woods Mfg., com.	.	...	..	...	...	...	...	48	38
Do. pref.	7	8.04	..	...	...	...	...	90	77¾
Standard Chem., pref.	.	...	..	...	...	...	...	9	9
Trust and Loan—									
Central Canada	12	...	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1*	6.04	92	91¼	91½	91	160	100	90
Can. Permanent	12	5.74	210½	209	209	210½	140	211	202¼
Colonial Invest.	6	...	6½	6½	6½	6½	3	7	4
Hamilton Prov.	10	...	..	...	...	...	...	157	157
Huron & Erie	7+½	5.55	135	134	135	133	3	135	127½
Landed Banking	9	5.66	159	159	159	156	31	159	150
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	4.97	241	240	240	240¼	50	245	232½
Ontario Loan (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Estate Loan	7	7.73	..	...	...	...	...	90½	85
Toronto Gen. Trusts	12	5.33	..	...	...	...	...	225	220
Toronto Mtge. (par $50)	10+1	5.61	98	98	98	97	20	100	93½
Union Trust	7	6.79	..	...	...	...	...	100⅝	98

THE CURB MARKET

	Div. Rate	Yield Oct. 25	High for wk.	Low for wk.	Close Oct. 26	Close Oct. 19	Sales for wk.	Range, 1926 High	Low
Andes Pete	.	...	..	...	...	...	...	6⅝	6⅝
Attendu Eng.	.	...	35¼	33½	34¾	34½	1035	43¾	7
Beacon Oil	.	...	17	16	16	17½	100	19½	14¼
Belding, pref.	7	...	80	80	80	80	10	101	75
Brit. Amer. Oil (par $25)	10	4.31	58¾	57	58½	57	1920	60	47
Can. Nor. Pr., com.	.	...	..	...	...	...	...	31½	28
Can. Oil, com.	1¼	5.55	..	...	...	...	...	91	65
Do. pref.	8	7.14	112¾	112	112	112¾	86	114	109
Cockshutt, pref.	.	...	67	67	67	68½	50	73	57¼
Continental Oil	$1.00	...	18⅝	17⅞	17⅞	19¾	465	26	17⅞
Dom. Eng.	.	...	..	...	...	...	...	120	65
Dryden Power (no par)	.	...	10	10	10	10¼	10	12	5½
East. Engineering	.	...	..	...	...	...	...	2½	1
Eng. Elec. com. (no par)	.	...	..	...	...	...	...	24½	15
Do. pref.	.	...	73¼	73¼	73¼	74½	5	75	59½
Good. & Worts	.	...	34¾	33½	34⅜	34¼	2085	36½	27½
Illinois Power, pref.	7	7.08	98¾	98⅝	98⅝	98⅝	45	99¾	96
Imperial Oil	$1.00	2.85	36	34⅞	36	35	2691	38½	32½
Inter. Petroleum	75c.	2.50	31¾	30¼	31¾	30⅜	1780	35½	29¼
Manitoba Power	.	...	41¼	41	41	41½	146	43	24
Newsprint Co.	.	...	..	...	...	...	...	27	18
North Star Oil, c. (par $5)	.	...	..	...	...	...	...	125	75
Do. pref.	7	...	..	...	...	...	...	490	450
Nor. Mex. Pr., com.	.	...	45	45	45	44½	10	55	40
Do. pref.	7	8.75	80	80	80	82	15	85	80
N.S. Car, com.	.	...	..	...	...	...	...	15	7½
Page Hersey, com.	75c.	6.00	50	48½	49½	49⅜	1068	50⅜	43
Do. pref.	$1.75	6.22	112½	109	112½	110	295	114⅛	100½
Paton Mfg., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	98	98	98	98	10	99	75
Power Corp. (no par)	.	...	..	...	...	...	...	28¼	22
Pressed Metals	.	...	36	36	36	36	10	40	30
St. Law. Pr. (no par)	.	..	49	48½	49	49	266	50	35
Do. pref.	8	7.67	106	104¼	106	104	60	106	103¾
St. Maurice Valley	.	...	63	59¾	63	60	389	65	40
Do. pref.	.	...	87½	87	87	87	12	87½	72½
Simpson, Robt., pref.	6	5.94	101	101	101	100	100	102	99
Toronto R. S.	.	...	..	...	...	...	...	195	110
Un. Secs., com.	.	...	..	...	...	...	...	65	50
Do. pref.	6	5.85	103	102	103	103½	17	105	102
Volcanic Oil	63c	...	31	30¾	31	30	125	31⅞	26
McColl Oil, com.	.	...	21½	21	21½	22	282	24¾	18⅞
Do. pref.	.	...	98¾	98½	98⅝	98	60	99½	95
Brewers & Distillers	.	...	4⅝	4¼	4⅜	4¾	2310	5	4¼
Fraser, pref.	7	...	..	...	...	...	...	94½	94½
Mount Royal. pref.	.	...	..	...	...	...	...	42¼	42¼
Cosgrave Brew.	6	...	6½	6¼	6½	...	925	6½	6¼

Deposit Bond Coupons

Clip your bond coupons the day they are due. They will be accepted by this Bank and placed to your credit. By depositing them at once in a Savings Account you will immediately start earning interest on your bond interest.

IMPERIAL BANK OF CANADA
173 BRANCHES IN DOMINION OF CANADA
Agents in Great Britain: ENGLAND—Lloyds Bank Limited, London and Branches. SCOTLAND—The Commercial Bank of Scotland, Limited, Edinburgh and Branches. IRELAND—Northern Banking Co., Limited, Belfast and Branches.
Agents in FRANCE—Lloyds and National Provincial Foreign Bank, Limited, Credit Lyonnais.

An Investment Protected By Government Standards

Within a cycle of 24 hours, milk—from clean, inspected Dairy farms; fresh from Tested Healthy cows—is scientifically pasteurized, bottled, chilled and delivered to your home—under the close supervision of Government inspection—such is the daily routine of a quart of milk.

No heavy stocks are carried over—no depreciation through over-production—no bargain sales —no losses—a 365-day business.

Most consistent in its daily operation—most responsive to improved methods—most adaptable to modern big business and its many economies.

Thus the assured continued success of the Dairy industry and the natural trend for consolidation to which this industry is so aptly responsive.

Hamilton Dairies, Limited

is the result of a consolidation of six of the most important dairy plants in Hamilton and vicinity. With good-will established over a long period of years, and actual earnings showing a splendid increase, we have no hesitation in recommending the 7% Cumulative Redeemable Sinking Fund Preference Shares of this Company as an ideal investment, and the Common Shares as a particularly attractive speculative opportunity.

Price: Par $100 per share, with rights to purchase at the same time an equal number of no-par-value common shares at $18.00 per share.

We strongly recommend that you send at once for a copy of a descriptive circular giving complete details.

Denman & Co.
LIMITED
Investment Bankers,
31 Main Street East Hamilton, Ont.
Branch: Belleville, Ont.

Denman & Co., Limited,
Hamilton, Ontario.
Dear Sirs,—Kindly send me complete information regarding the above investment, without obligation.
NAME ....
ADDRESS ....

The Laurentide Company
Limited

Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper

GRAND'MERE - QUEBEC

PORT ALFRED PULP & PAPER CORPORATION

Newsprint and Sulphite Pulp

HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

Canadian Paperboard Company Limited
Largest Manufacturers of Paperboard in Canada
Mills at Montreal, P.Q., Campbellford, Ont., Frankford, Ont.
HEAD OFFICE: 2 Seigneurs Street MONTREAL

St. Maurice Valley Corporation

Successors to

Belgo-Canadian Paper Company, Limited,
Shawinigan Falls, P.Q.

St. Maurice Paper Company, Limited,
Three Rivers, P.Q.

Yearly Output→195,000 Tons Newsprint

Head Office:
MONTREAL-QUEBEC

Annual Capacity: 150,000 Tons of Groundwood
Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.

Quebec Pulp and Paper Mills
Limited

Executive Office:
CHICOUTIMI, P.Q.

Cable Address:
"SAGUENAY,
CHICOUTIMI"

INVEST YOUR SAVINGS
in a 5½% DEBENTURE of
The Great West Permanent
Loan Company

5½%
Interest
Return

SECURITY

Paid-up Capital	$2,414,663.00
Reserves	1,100,000.00
Assets	6,184,420.00

HEAD OFFICE, WINNIPEG
Branches: Toronto, Regina, Calgary, Edmonton, Vancouver, Victoria, Edinburgh, Scotland.

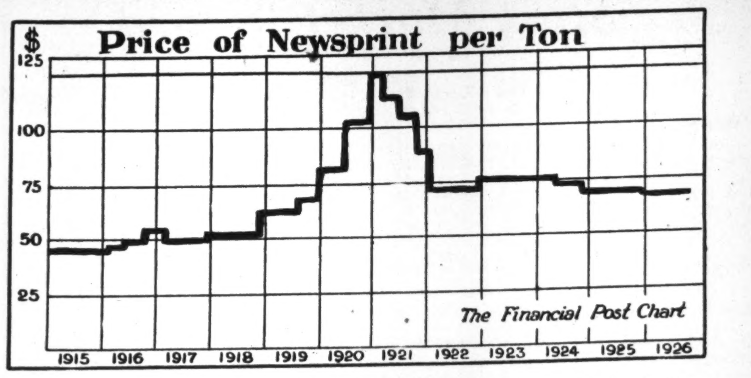
Penmans
LIMITED

Manufacturers of High-Grade
Knit Underwear, Hosiery, Sweaters
MILLS AT PARIS, Ont. BRANTFORD, Ont. LONDON, Ont. WATERFORD, Ont.
ALMONTE, Ont. COATICOOK, Que. and
ST. HYACINTHE, Que.

General Office: Paris, Ont.

Selling Agents to Wholesale Trade:
JOHN GORDON & SON,
Toronto and Montreal

SELLING AGENTS TO RETAIL TRADE
Edward Burns Co., Ltd., Toronto, Ont.
B. S. MacFarlane, Montreal, Que.
John J. Wilson, St. John, N.B.
Bryce & Co., Ltd., Winnipeg & Vancouver.
EXPORT REPRESENTATIVES
J. J. Jardine, St. John's, Nfld.
H. W. Airey, Ltd., Auckland, N.Z.
L. C. Carrick, Cape Town, South Africa.
Hugh Scott-Young, Melbourne, Australia.
Liddell & Mitchell, Glasgow, Scotland.
Taylor & Shelmerdine, Manchester, England.
W. J. Cutcliffe, London, Eng.
W. E. Goodman, Manchester, England.



Newsprint in 1927 will continue to sell at the $65 price that prevailed in 1926, according to contracts now being made.

Newsprint at $65 Ton Gives Mills Stability

Newsprint at $65 a ton for 1927 means but a continuance of the status quo and the announcement of the contract price for the coming year is, therefore, not of striking significance to investors.

All Canadian mills are operating profitably under the present price basis, and it is the general understanding that the current price is satisfactory to consumers who are credited with preferring steadiness on a fair basis to sharp fluctuations.

The decision to carry on at the present price level created little stock market interest owing to the fact that the course adopted had been widely anticipated for some time back.

The Canadian industry is drawing to the close of the most successful year in its history, during which production has been largely increased with which consumption in the United States has kept pace, and fresh records are expected in both respects in the coming year.

Nine months' newsprint production on this continent—to September 30—totalled 2,640,747 tons, and of this Canada contributed 1,380,722 tons.

Canada's supremacy was most marked in September, when it turned out 161,387 tons of newsprint to 136,167 tons in American mills.

Comparative nine months' figures for seven years follow:

United States Mills

	Production, tons
1926	1,260,025
1925	1,127,436
1924	1,109,246
1923	1,126,192
1922	1,069,619
1921	910,870
1920	1,139,300

Canadian Mills

1926	1,380,722
1925	1,115,232
1924	1,015,793
1923	943,692
1922	794,848
1921	580,676
1920	661,021

U. S. and Canadian Mills

1926	2,640,747
1925	2,242,668
1924	2,125,039
1923	2,069,884
1922	1,864,467
1921	1,491,546
1920	1,800,321

Exports of pulp and paper in September were valued at $15,219,210, an increase of $1,268,389 over the total for the previous month.

Exports of wood-pulp in September were valued at $5,133,406, as compared with $3,614,873 in August, and exports of paper at $10,085,804, as compared with $10,335,948 in August.

Detailed comparison with the totals for September, 1925 and 1926, is shown below:

	—September, 1926—		—September, 1925—	
	Tons		Tons	
Pulp				
Mechanical	58,246	$1,910,517	40,127	$1,223,991
Sulphite, Bl.	16,404	1,325,659	17,308	1,331,750
Sulphite, unbleached	19,034	1,071,182	26,286	1,520,860
Sulphate	13,390	826,048	12,694	766,625
	107,074	$5,133,406	97,415	$4,843,226
Paper				
Newsprint	143,524	$9,460,633	116,278	$8,190,090
Wrapping	1,627	192,779	1,737	235,864
Book (cwts.)	6,350	54,699	3,953	36,623
Writing (cwts.)	2,220	16,351	598	4,560
All other	.....	361,342	...	375,643
		$10,085,804		$8,842,780

WAYAGAMACK SPLIT SIX YEARS COMING

Directors Got Authority For Present Move Before Big Slump Hit Kraft Market

No more sensational advance has taken place in the paper shares than that of Wayagamack during the past two years, and now the move of the directors, in splitting the stock two ways, provides additional support for recent high prices. Wayagamack's directors have been six years making this move. Back in 1920, when most of the paper companies were splitting their stocks to provide the public with more handy trading units, Wayagamack's board obtained authority from the shareholders to put the stock on a no-par value basis. It was then planned to give the shareholders two shares of the new stock for each share of the old held. But about that time, hard times hit the kraft paper industry, and Wayagamack has been too busy since recovering its former markets, stabilizing prices, and expanding into the newsprint industry, to worry about capital stock changes.

Shareholders have now been requested to turn in their present certificates on or before December 1, 1926, to the Quebec Savings and Trust Company, Transportation Building, Montreal, the transfer agents for the company.

The basis of the exchange will be two shares of no-par value for each old share of $100 par value. It is urged that this exchange should be made as quickly as possible, as the board of directors are considering the resumption of dividends.

It is well known that the operations of the company during the current year have been very profitable. In the last fiscal year earnings were over 11 per cent. on the capital stock. The markets for sulphate pulp and kraft paper have continued strong. The company is now also producing and selling its output of newsprint. It was only in December last that the new newsprint mill was placed in operation.

It is generally expected that the new stock will be placed on a regular dividend basis. No dividends have been paid on the $100 shares since the middle of 1921. The only dividends paid were $5 in 1920 and $3 in 1921. The outstanding capitalization now consists of 50,000 shares of $100 par, and, by virtue of the change just announced, it will be converted into 100,000 shares of no par value. The $100 shares have been strong on the local exchange and have recently touched par, as against a low of 27 in 1921 and a low of 34½ in 1925. In 1920, when the industry was at its peak, the stock touched 150¼.

Manitoba Paper Company Seeks Further Pulp Areas

An application in the name of the Manitoba Paper Company for a further area of 1,800 square miles of pulpwood is now before Hon. Charles Stewart, minister of the interior.

The company already has 1,800 square miles, and officials of the company and the government have been engaged for two years in selecting this area out of a large territory set apart for the company, on the east side of Lake Winnipeg. The agreement between the company and the government provides that the selection of the 1,800 square miles is to be completed as quickly as possible, and, at the latest, within five years. The selection was to be made from south to north, and as it was completed the territory was to be thrown open again.

It is understood that 1,800 square miles of pulpwood are required to feed a 125 ton per day paper mill for a sufficiently long term of years to return to investors their original investment plus profits. The company, however, put in a mill twice as large and therefore requires 3,600 square miles to make it a sound proposition.

The company therefore, want a furthere 1,800 square miles and would prefer to have it within the boundaries of the territory set aside in the agreement between the government and the company in which they now are selecting 1,800 square miles.

When the Manitoba Paper Co. was organized it got 1,798 acres of timber from the Dominion government and was also given permission to apply for further timber. Circular offering the first mortgage bonds declared:

"The company owns under lease from the Dominion Government 1,798 square miles of timber limits, containing not less than 2,500,000 cords of pulp-making woods. An area of 718 square miles has been definitely located in the immediate neighborhood of its plant, and the balance, being 1,080 square miles, is still to be selected in tracts of not less than 30 square miles, over a large selection area. In order to afford adequate protection to the company during the period of selection, the entire area is reserved for a period of five years.

"These timber limits, aggregating 1,798 square miles, were granted to the company in consideration of its obligation to erect a pulp mill of 100 tons daily capacity and a paper mill of 50 tons daily capacity, involving an expenditure of two and one-half million dollars.

"The company, however, has the specific right to apply for further individual areas, to protect its increased investment beyond this point, and has formally advised the government that it is proceeding immediately with the erection of pulp and paper mills with a capacity of 200 tons of groundwood pulp, 65 tons of sulphite pulp, and 250 tons of newsprint paper, and that it will at the proper time apply for additional timber under the provisions of its contract with the government for the protection, in additional timber areas, of the greatly increased investment called for by this development."

Canadian Northern Prairie Lauds Plans to Cut Melon

Directors of the Canadian Northern Prairie Lands Company plan to distribute among the shareholders a portion of the company's accumulated liquid assets. Formed originally to acquire 500,000 acres of farm lands in western Canada, the company, at the end of last year, was in the position of having sold 419,970 acres, while payment for 25,389 acres was not completed, and 54,461 acres remained unsold. Real estate stood in its balance sheet at only $125,957, the bulk of its assets being in the form of investments, which amounted to $2,311,950, a large portion consisting of government bonds and other high-class securities. The present company is to be liquidated and a new company, the Canadian and Foreign Securities Company, formed with an authorized capital of 300,000 shares of no-par value, which will create $1,200,000 of 6 per cent. debentures. Further, a subsidiary company will also be formed which will acquire the land assets, mortgages and purchase contracts of the existing company in exchange for its entire debenture issue. These, together with all the other assets of the Canadian Northern Prairie Lands, with the exception of securities of a value of $1,350,000, will then be taken over by the Canadian and Foreign Securities Company, the latter issuing in payment its entire capital and debenture issue. Having liquidated its securities for $1,350,000, the present company will be wound up and its assets distributed to its shareholders, who, for each share, will receive $4.50 in cash, $4 in 6 per cent. debentures and one share of Canadian and Foreign Securities Company, and the accrued dividend on their present shares at 10 per cent. per annum to the date of the winding-up resolution.

Plan $500,000 Storage Garage in Vancouver

At a cost of $500,000, construction of a large storage garage will be undertaken in the vicinity of the new Hotel Georgia and the proposed C. N. R. hotel in Vancouver, B. C. The project will be financed, it is understood, by Seattle capital. According to J. Alex. Swanson, of Gillespie, Hart & Todd, who is acting for the Seattle interests, an option has been taken on the necessary property.

The building will be five storeys high and will be reinforced concrete with a handsome exterior. It will be located on a corner, with a frontage of 100 feet on one street and 120 feet on the other. The capacity of the garage, which will be of the "ramp" type, will be more than 500 automobiles.

It is understood that the property purchase will be undertaken within the next thirty days, and it is planned to have construction started before the end of the year. Theh interests backing the project have more than twenty garages of similar type in various Pacific coast cities.

Abitibi Power & Paper Company
Limited
NEWSPRINT
Head Office: Montreal Mills: Iroquois Falls, Ont.

Atlantic Sugar Refineries
LIMITED
Lantic Sugar
General Offices
211 McGILL STREET
MONTREAL
Refineries - St. John, N.B.

DOMINION TEXTILE CO., LIMITED
PRUE
MANUFACTURING
ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS
AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.
MONTREAL TORONTO WINNIPEG VANCOUVER

Wabasso Cottons are Canada's best

Cambrics, Voiles, Shirtings, Sheetings, Broadcloths and other fine white cottons; a complete range of fine Coloured Cottons; Yarns, Corset Fabrics, etc., Wacosilke, an exclusive, new fabric, made from finest Wabasso combed yarns and Celanese Brand yarns combined:

The Wabasso Trade Mark is a guarantee of highest quality cotton fabric; none finer, anywhere.

THE WABASSO COTTON COMPANY, LIMITED
Three Rivers, Que.

DOMINION BRIDGE CO.
LIMITED
Montreal, P. Q.
ENGINEERS, MANUFACTURERS *and* ERECTORS *of* STEEL STRUCTURES
HEAD OFFICE AND WORKS: Lachine Locks, P.Q.
BRANCH OFFICE AND WORKS:
P.O. Address, Montreal, P.Q. Toronto, Ottawa and Winnipeg.
Sales Offices: Montreal, Ottawa, Toronto, Winnipeg, Regina, Edmonton, Vancouver.

Automobile and Piano Paper
MANUFACTURERS FINANCE CORPORATION LIMITED
TORONTO, Federal Building
AUTHORIZED CAPITAL - $6,500,000

Food Products

INTER. MILLING SHOWS INCREASE IN NET PROFITS

Institution Benefits from Plants in Two Countries

Advantage International Milling has in the ownership of milling plants on both sides of the international boundary line is clearly shown by the annual financial statement now published for the year to August 31, 1926. Report shows increased profits. and in this respect differs from the average showing of Canadian milling plants for the past year.

Steady expansion of the company by enlargement of its capacity is also reflected in the report.

Net Income up to $234,000

Net income amounted to $1,025,158 after taxes, an increase of more than $234,000 over the previous year when net income amounted to $790,796.

Comparative profit and loss figures follow:

Profit and Loss

	1926	1925	1924
Net income	$1,025,157	$ 790,796	$ 703,695
Bond interest	29,694	30,940	32,208
	$ 995,463	$ 759,856	$ 671,487
Pref. dividend	161,836	158,851	154,000
Com. dividend	342,500	287,500	230,000
Year's surplus	491,127	313,505	287,487
Prev. surplus	2,747,916	2,434,411	2,146,924
Total surplus	3,239,043	2,747,916	2,434,411

Working Capital Improves

Working capital, likewise, has shown a large increase, continuing the steady climb which has been going on for a number of years. At the close of the year, working capital had reached $3,350,186, which is $539,854 larger than the previous year. The comparative figures below bring out the very marked and satisfactory trend in working capital position.

Working Capital

	1926	1925	1924
Current assets	$5,531,565	$3,909,060	$4,633,541
Current Liab.	2,001,379	918,728	1,884,854
	$3,530,186	$2,990,332	$2,748,687

The reserve for depreciation and maintenance has been built up to $732,548, as compared with $535,065 at the end of the previous year. This is an increase of $197,483. Bonds outstanding have been gradually and steadily reduced for a number of years, the amount outstanding in 1921 being $584,000, as compared with $472,500 at the present time and similarly there has been a decrease in the bond interest requirements from $36,398 in 1921 to $29,694 in 1926.

There is a very heavy Canadian interest in International Milling Company securities, the bulk of the preferred stock being held in Canada.

The plants of International Milling Company are situated on both sides of the line, being located in Saskatchewan, Alberta, Iowa and Minnesota.

GOOD YEAR ASSURED FOR B.C. FISHING

Pack Much Larger, Prices Lower, With Average Return Satisfactory

British Columbia fish canners and packers had an excellent year, the salmon pack showing a gain over the previous year.

The salmon pack to the end of September this year exceeds the entire 1925 pack and nearly equals the heavy pack of 1924, when the total was 1,747,505 cases. The total this year to the end of September is 1,729,427 cases, which is only 18,078 cases behind the entire 1924 pack. It is expected that the totals at the end of the year will exceed the figures of two years ago.

Sockeye salmon fishing in the Fraser district this year was exceptionally good, the pack of that variety totalling 83,400 cases, as compared with 31,523 cases in 1925, and 36,200 cases in 1924. The total pack of sockeye in the province, however, was several tens of thousands of cases below the packs of 1925 and 1924.

Pinks show very heavy this year, the pack being 734,902 cases up to the end of September, as compared with 445,400 cases in 1925 and 657,561 cases in 1924.

The total pack of the British Columbia Fishing & Packing Co. last year amounted to 286,586 cases, and that of the Wallace Fisheries to 146,897, or a total for the season of 433,483. The total pack to the 9th of October, this year, aggregated 515,834 cases. But, while the total pack is thus 82,551 cases in excess of that of a year ago, the revenue to be derived will not likely prove proportionately as large. It will be good, however, as the average price being obtained this year is considerably greater than a year ago. The most valuable part of the pack is the sockeyes, and these have been reduced by approximately 30,000 cases, the figure for last year being 159,800 cases, and that for this year will not run beyond 130,000 cases.

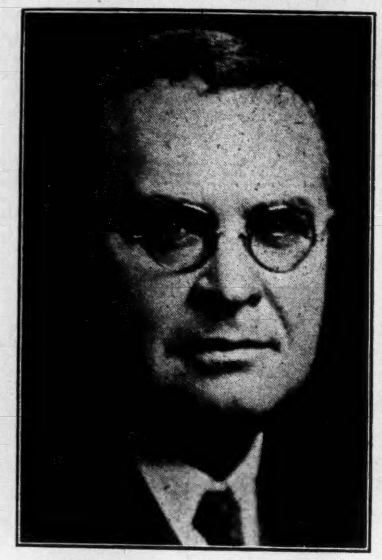
The run of sockeyes, springs, cohoes and pinks, is now over, and the season for chums and white springs is now under way. In the first week of October there was a gain in these latter of 23,000 cases over the total established a year ago. The company is looking forward to a good run of herring, and the expectation is that considerably over 1,500 tons of these will be packed.

Ontario Bakeries Now Has Nineteen Plants

Two additional bakeries have been acquired by Ontario Bakeries, Limited, bringing the total plants in operation to nineteen, located in twelve cities and towns in the province of Ontario. J. McIntosh, Ltd., and Fred G. Simmons, both of St. Catharines, are the two properties taken over by the company and it is estimated that this will add approximately 50,000 loaves of bread to the weekly production of the Ontario Bakeries.

J. McIntosh, Ltd., is a consolidation of the business of Nasmith & Co. in St. Catharines and the Myer Bakery of the same city. It has grown to be the largest business of its kind in St. Catharines and a wholesale and retail cake trade is carried on.

Fred G. Simmons is the oldest bakery in the Niagara Peninsula, having operated in its present location for more than fifty years.



WILLIAM FINDLAY, former newspaper owner, of recent years in advertising agency work, who has established his own advertising agency. Located in Toronto, it is known as the William Findlay Company.

SAYS PREFERRED HOLDERS LOSE VOTING CONTROL

Shareholder Secures Injunction Against Gunns Reorganization

The plan for a financial reorganization of Gunns, Limited, the Toronto packing concern, recently proposed by the directors as a way out of financial difficulties, has been held up temporarily at least by an injunction restraining the company and D. W. Gunn from proceeding with the program. The plan is for the liquidation of the old company and the formation of a new company with a capitalization of $800,000 in place of the former $3,212,850 of capital stock, the old common of which $1,712,850 has been outstanding being wiped out. Of the new capital is it proposed to distribute $500,000 of new preferred shares to the old preferred shareholders, while $300,000 of new common would be used to pay off liabilities of $625,000 including loans of $375,000 from an American packing company.

The injunction was granted upon the instance of Frederick Lucius, of Montreal. The writ states that Mr. Lucius acts for himself and all other shareholders of Gunns, Limited, other than D. W. Gunn, and is directed against Gunns, Limited, of Harriston, Ontario; D. W. Gunn, and Gunns, Limited, of Toronto. The claim set forth in the writ is to set aside a certain agreement dated September 30, 1926, made between the defendant, Gunns, Limited, hereinafter referred to as the "present company" and the defendant, Douglas William Gunn, whereby the present company agrees to transfer its assets to the defendant, Gunns, Limited, a corporation incorporated under the Companies Act hereinafter referred to as the "new company" and for an injunction restraining the defendants from carrying out or giving effect to said agreement and from acting on any resolutions or by-laws that may have been passed at any meetings of the directors or shareholders of the said defendant companies or either of them purporting to approve or ratify the said agreement and restraining the present company from conveying, transferring or otherwise disposing of its assets to the defendant, D. W. Gunn, or the new company, pursuant to said agreement or otherwise.

The plaintiff states that the agreement in question proposes to transfer 3,000 shares of the new company to certain parties for the arrangement of the finances of this new concern.

The plaintiff states he gave no proxy for this general meeting and points out that the preferred stock of the new company will have no voting rights as the present preferred stock has. He complains that the notice of the meeting at which the action was taken, did not disclose the object for which it was being called. He further submits that the proposed transfer of 3,000 shares of the common stocks of the new company is ultra vires even if the agreement of September 30, last, is otherwise valid.

He declares his belief that the interests of the preferred shareholders of the present company would be better served if the company were liquidated.

Christie-Brown Earned $1.46 in First Nine Months

Christie-Brown's earnings for the first nine months of the present year exceeded total earnings in the full year 1925. Dividends on Christie-Brown now take $1.20 a year. Earnings for nine months were at the rate of $1.46 a share.

The profit and loss statement for the nine months, compared with the entire year of 1925, follows:

	1926	1925
Gross profit	$549,001	$544,499
Other income	4,077	12,826
Total income	$553,078	$557,326
Sales expenses	$217,944	$262,686
General expenses	125,849	187,753
Net profit	$209,286	$106,887
Taxes	$ 16,000	$ 5,500
Interest	34,500	60,000
Preferred dividend	43,561	33,766
Common dividend	48,494	......
Surplus	$ 66,721	$ 7,620
Balance	6,620	......
Total surplus	$ 76,510	$ 7,620

National Brick's New Director

At a meeting of the board of directors, F. Howard Wilson was elected a director of the National Brick Company of La-Prairie, Limited, and subsidiary companies, replacing C. G. Greenshields, K.C., resigned.

A dividend of 1¾ per cent. was declared on the 7 per cent. cumulative preference stock of the company, payable on November 15 next to stockholders of record at the close of business, October 30.

FAMOUS PLAYERS NOW OPERATES 101 SHOWS IN CANADA

Big Theatrical Enterprise Shows Healthy Profits Increase

Chiefly notable in the annual report of Famous Players Canadian Corporation were the continued increase in earnings and the action of the directors in considerably increasing the appropriation for depreciation.

Theatres owned, controlled or affiliated with Famous Players now total 101, covering practically the whole of Canada and representing the outstanding theatrical enterprise of Canada.

Profits Increase by $70,000

Profits for the year to August 28 totaled $800,582, as compared with $730,607, an increase of nearly $70,000. After providing for all charges, including increased depreciation and for dividends on the first preferred shares, balance carried forward was increased from $243,325 to $281,005.

Profit and loss statements for three years compare:

Profit and Loss

	1926	1925	1924
Profits	$800,581	$730,607	$722,786
Interest	91,683	90,369	94,647
Def. charges	43,850	47,069	33,777
Depreciation	265,409	180,000	190,000
	$400,942	$317,438	$318,424
Net profits	$399,639	$413,168	$404,362
Pref. dividends	334,036	332,000	332,000
	$ 65,603	$ 81,168	$ 72,362
xBal. forward	215,401	162,157	114,783
	$281,005	$243,325	$187,145

x—Less income taxes.

Working capital shows some further improvement, as the following comparison indicates:

Working Capital

	1926	1925	1924
Current assets	$736,490	$564,187	$526,466
Current liab.	267,270	141,739	191,464
Net work. cap.	$469,220	$422,448	335,002

Total assets showed an increase of $118,997.

Among the most important changes on the liabilities side were an increase in first preference shares outstanding of $50,000, and an increase in bonds outstanding $180,000. Bonds to the extent of $200,000 were issued during the period. A decrease of $39,983 was shown in mortgages outstanding, while advances from affiliated companies were reduced by $250,000, leaving the account at only $50,000. Total assets stood at $15,535,060.

"During the year," says Vice-president J. P. Bickell in his report, "509 additional first preference shares were issued in exchange for 1,018 7 per cent. preference shares of Mansfield Theatre Company, Ltd., which exchange was affected under the terms of an offer made to shareholders of that company dated February 19, 1926.

"Your directors during the year have again devoted their efforts chiefly to the improvement of operating conditions at the various theatres owned or controlled by the company, and I am glad to report while the first quarter of the year was a most unfavorable one from the standpoint of theatre operation, practically every theatre operated by the company has shown substantial improvement in net earnings during the year just ended."

Eastern Theatres' Profits Increased Over 1925

Eastern Theatres' earnings for the year to August 27 were $155,140, as against $122,159 in the previous year.

Working capital position shows some improvement.

Comparative tables follow:

Profit and Loss

	1926	1925	1924
Net earn.	$155,410	$122,159	$149,327
Depreciation	60,118	60,118	......
Taxes	8,396	6,304	......
Net profits	$ 86,896	$ 55,737	$ 89,245
Adjustment	x13,975	3,523	11,171
	$ 72,921	$ 59,260	$100,416
Pref. divs.	52,500	35,000	52,500
Def. charges	3,315	......	......
Balance	$ 17,106	$ 24,260	$ 47,916
Prev. bal.	153,521	129,260	81,343
	$170,627	$153,250	$129,259

x—Adjustment of taxes and reserves made for prior years.

Working Capital

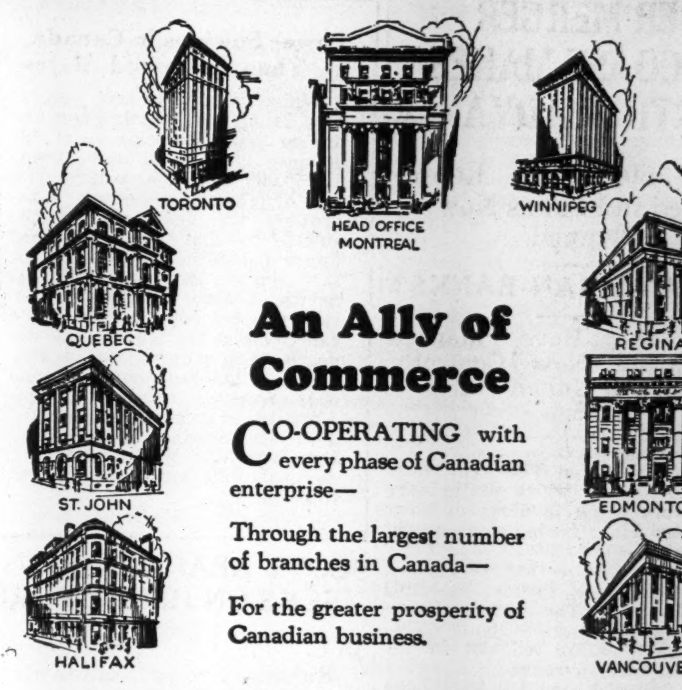
	1926	1925	1924
Current assets	$78,066	$21,042 $	$10,782
Current liab.	12,007	19,576	37,055
Net work cap.	$66,059	$1,466	x$26,273

x—Decrease.

Dominion Glass Changes Head

Nothing more striking appeared to account for the rise in Dominion Glass than a change in management. This was evidently taken by investors to mean that the company would specialize along the more profitable lines in the future.

J. W. King succeeds Harold Grier as general manager. For a considerable time past discontent had been voiced by shareholders at the disappointing results of the company's operations, particularly when the year 1925 showed insufficient earned to meet the common stock dividends. Early in the year J. W. King, who now succeeds Mr. Grier as general manager, had been brought down from the Hamilton plant and, recently, he had been dealing fairly closely with the directors.



An Ally of Commerce

CO-OPERATING with every phase of Canadian enterprise—

Through the largest number of branches in Canada—

For the greater prosperity of Canadian business.

G615 **The Royal Bank of Canada**

For Economy with Service
Route Your Freight Shipments
via
Canada Steamship Lines,
LIMITED

Between	*From*	*Between*
Montreal Three Rivers Quebec	Montreal, Toronto, Hamilton to Port Arthur, Fort William	Montreal, Toronto, Hamilton, Windsor, Detroit

New Issue $150,000

National Milk Products Company
LIMITED

6½% First (Closed) Mortgage 20-Year Sinking Fund Gold Bonds
Dated 15th September, 1926 **Due 15th September, 1946**

Principal and semi-annual interest, September 15th and March 15th, payable at the Royal Bank of Canada in Toronto or Montreal. Coupon bonds in denominations of $1,000, $500 and $100 with privilege of registration as to principal. Redeemable in whole or in part on or after September 15th, 1928, at the company's option on any interest date on thirty days' notice at 105 and accrued interest.

Trustee and Registrar: NATIONAL TRUST COMPANY, LTD.

Bankers: ROYAL BANK OF CANADA.

Solicitors for Underwriters: MESSRS. REID, WRIGHT & McMILLAN.

Capitalization
(When present financing has been completed)

	Authorized	Outstanding
6½% First Mortgage Bonds (this issue)	Closed	$150,000
7% First Preferred Stock	$500,000	150,000
Common Stock, no par value	20,000 shs.	10,500 shs.

The following information is summarized from a letter of Mr. Thos. Price, Vice-President of the company and for fifteen years President and General Manager of S. Price & Sons, Limited, Dairy:

THE COMPANY: National Milk Products Company, Limited, was incorporated under Dominion Charter on August 26th, 1926, for the purpose of conducting a general wholesale dairy business with particular attention to the production of milk powder, sweet cream and butter. The plant of the Company is located at Gananoque, Ontario, with excellent transportation facilities both by rail and water immediately adjoining. It is modern and up-to-date in every way, and with the completion of the new unit, for which a contract has already been let, will be thoroughly equipped and efficient.

LOCATION: A careful survey by experienced dairy men assures a maximum supply of raw material of high quality for all seasons of the year at satisfactory prices. Gananoque is approximately half-way between the important markets of Toronto and Montreal and is convenient to the larger eastern cities of the United States.

ASSETS: The value of the Company's assets, including land, building, equipment, etc., before proposed financing, is certified to by Mr. J. B. Carswell, Consulting Engineer, Toronto, as $201,000, and after completion of proposed financing and the installation of new machinery total assets will amount to over $300,000, or twice the amount of this issue.

EARNINGS: On the basis of 50,000 pounds of raw milk per day, which is the minimum guaranteed capacity of the new milk powder plant (other plants in operation have experienced as high as 70,000 pounds per day) net earnings are estimated at $92,608, as against interest charges on this issue of $9,750. These earnings are estimated after a careful study of the actual operations of other companies using a similar process, except that in the case of raw material the cost is placed substantially higher than prevailing market prices, and in the case of the finished product lower than present market prices.

Price 99.00 and Accrued Interest
Yielding approximately 6.60%
With bonus of ½ Share Common Stock, no par value, with each $100 bond
(Fractional shares of Common Stock will be adjusted at $6.00 per share)

J. A. G. Clarke & Company
330 Bay Street • Toronto 2
Telephone Adelaide 5184

LUMBER MERGER ON COAST MAKES FURTHER ADVANCE

Over $350,000,000 Represented in Deal as Now Planned

HIT CANADIAN BANKS?

In Past They Have Financed Mills, But Now Control Savings to United States Financiers

From Our Own Correspondent.

VANCOUVER. — The enormous lumber merger of which preliminary details were given in a recent issue of The Financial Post have now reached a fairly definite stage, and there is now little doubt that several of British Columbia's largest sawmills will be involved. The deal represents a total expenditure of about $360,000,000 if it is carried out in the form tentatively arranged.

Coast financial men are wondering what effect the merger will have on Canadian banks, for under the new consolidation the mills will be financed by New York and Chicago banks. This will reverse conditions which have prevailed here for years, as nearly all British Columbia mills have been financed by Canadian banks in the past.

Until a few years ago most of the lumber financing was done in Chicago, but recently New York financial institutions have become interested and both cities are well represented in the capital to be used in effecting the contemplated merger.

To, Stabilize Lumber Trade

Unsettled conditions in the lumber industry, the largest in the Pacific Northwest, are responsible for the present move. Conditions in the lumber industry are said to be similar to those prevailing in the steel industry before the formation of the United States Steel Corporation. A merger would stabilize conditions and make it possible to control production to a greater extent than now possible, thus eliminating the serious surplus output of the past few years, which has made it next to impossible for the mills to more than barely meet expenses.

Seven different sawmill companies have been urged to sell their holdings to the new company on the basis of 60 per cent. cash payment and the balance in stock and bonds of the new corporation. So far, less than ten British Columbia companies are being mentioned in connection with the merger, but most of them are important concerns with far-reaching connections. Valuators have already commenced an appraisal of the properties.

International Paper Has $25,000,000 Issue Ready

International Paper Company debentures to the amount of $25,000,000 are to be offered at once in Canada and the United States.

These 6 per cent. debentures are convertible after April 1, 1927, to and including the date of maturity in 1941 into cumulative 7 per cent. preferred stock at the rate of one share of stock for each $100 debenture. If converted before October 1, 1929, holders also have the right to purchase at the rate of $50 per share one share of common stock for each $1,000 of debentures converted.

The Chase Securities Corporation, Bankers Trust Company and Harris, Forbes & Co. are heading a syndicate which will offer the new issue.

No Boom in Canada, But Business is Good

With low, well-balanced prices, with a good volume of trade in motion, with most industries showing improvement and no serious factors out of adjustment, the general prospect for business and industry in Canada must be said to be favorable, says the Royal Bank of Canada in its monthly review of Canadian business. While a minor setback from the good times of the past year might be brought about by a temporary recession in the United States, yet the general outlook favors a continued period of good times in Canada. The outstanding fact remains that, though Canada is not experiencing a boom, yet all basic statistics indicate that Canadian industries are on a more substantially sound basis than at any time since the war.

Maritimes Biggest Fish Catch

The largest catch of fish ever made in the Maritimes is recorded for the year ended September 30, by Ward Fisher, inspector for the Eastern Division, Department of Marine and Fisheries. The twelve months' catch was 300,000,000 pounds, he said, as compared with the previous record catch of 247,000,000 pounds in 1925.

Fewer Suicides in Canada Than in United States

While the suicide rate generally is highest in the spring, during September this year 132 suicides among the more than 17,000,000 industrial policyholders of the Metropolitan Life brought the death rate from suicide to the extremely high figure of nine per 100,000. With the single exception of the month of May, 1923, when the rate was 9.2 per hundred thousand, this is the highest suicide death rate reported since the company has kept monthly records of causes of death. Of the 132 suicides only one was a resident of Canada, though more than a million Metropolitan industrial policyholders reside in this country.

SCOTT NEARING NOW PICKS ON HENRY FORD

Does Not Like His Idea of Raising Living Standards of His Working Folk

VANCOUVER.—Prof. Scott Nearing, who aroused considerable hostility in Eastern Canada during the war and the years immediately following by endeavoring to spread Red propaganda, has been busy lately on the Pacific Coast. Nearing is the man who suggested that the United States should send an army to conquer Canada, but who has nevertheless been a welcome lecturer at many Canadian colleges.

Nearing is still bitter in his attacks on capitalism in general, but in his address before the Kiwanis Club here his barrage was aimed chiefly at Henry Ford, who, he said, was doing more than any other person in America to bring about a revolution in the United States.

The Ford plant was a paradise for labor-saving machines, said the "professor," for they were all welcomed and in this way labor was reduced to the minimum. Ford used his own capital, instead of the usual credit methods.

"Henry Ford has made it profitable for men to work in his factories by paying them good wages, but on entering his shops they lose individuality and become part of the Ford machine. The men become mechanical units. The worker loses all interest in his work. He is simply performing a task for the pay he gets out of it, and he becomes as stupid as a bucket on a mechanical conveyor.

"While the Ford worker is well paid, even his leisure hours are not his own. He is the property, body and soul, of the Ford organization. By refusing to allow his workers to think for themselves Ford is bringing about an age of great ignorance in the United States and doing more than any other person to make the United States what Russia was in pre-revolution days."

C.N.R. HEAD ONCE BEFORE SET TWO YEARS FOR TASK

(Continued from page 1)

ance department which goes to indicate that Sir Henry Thornton did not have in mind the payment of interest on government advances. This statement records the fact that during the present fiscal year, that is since the first of April, the Canadian government has advanced $8,500,000 to the Canadian National by way of loans. As the advances made during the calendar year 1925 by the government to the Canadian National were only about ten million dollars, the making of further advances during the present year is taken to mean that there has been a hitch in the expected improvement of Canadian National finances over last year. The inference is therefore being made that in his speech at Cochrane, Sir Henry Thornton was renewing his prediction of 1923 that the National be able to pay the interest on the securities held by the public within three years.

If the line does that it will be a great relief to the tax-payers and will reflect no little credit upon the organization Sir Henry has built up.

Brigstocke May Report on Beaver Auxiliary

R. W. Brigstocke may be asked by new Beaver board to make a report on Beaver Auxiliary. It is rather interesting to point out that when the old Beaver board asked an independent authority to name an engineer to make the Kirkland Lake Gold report, he named two men, Summerhayes and Brigstocke, asking Summerhayes first because of his advanced knowledge of Kirkland Lake camp. The Beaver board did not choose Summerhayes.

Prospect of Peat Fuel Industry In Canada Materially Advanced

Prospect of the establishment of a peat fuel industry in Canada has been materially advanced by investigations carried on by the peat committee, according to the final report of that body, published by the Department of Mines. The peat committee was appointed jointly by the governments of the Dominion of Canada and the province of Ontario, with the object of finding, if possible, a practical-working and commercially-feasible method of making available the products of extensive peat deposits as an auxiliary source of fuel supply, especially in the "Acute Fuel Area" of Ontario and Quebec. The foreword to the committee's final report states that a gratifying measure of success had been met by the committee in its investigations and that the object of its appointment had been substantially attained.

The unsatisfactory situations which have arisen in parts of Canada, particularly in Ontario and Quebec, through the dependence on anthracite of foreign origin brought forward the necessity for a domestic source of fuel supply for this area. An investigation into the possibilities of peat as a substitute fuel was undertaken and the committee began its investigations in 1918. Field operations were carried on by the committee at the peat bog near Alfred, Ontario, about 40 miles east of Ottawa. During the period of investigation, machines were designed and methods developed by which the production of peat on a commercial basis could be accomplished. The investigators went further and made a study of the uses to which peat fuel could be put and how the bogs not worked for fuel and those from which the peat had been removed could be utilized for agricultural purposes or otherwise advantageously disposed of.

The outstanding conclusions arrived at by the committee were that the only methods or processes which could be economically employed for the manufacture of peat fuel were those employing air-drying, that the climatic conditions in Ontario and Quebec were favorable for the manufacture of peat fuel for 100 days during the summer season, and that the commercial production of this form of fuel, on a large scale, could be conducted on many of the bogs which had been examined in detail, and which were favorably situated with regard to centres of population and transportation facilities.

Ford of Canada on Half Time

The Ford Canadian plant is running at half capacity. While this is the slack time of year, production is lower in Canada as a result of importation of motors. Export business has not been affected.

Increase in business in Western Canada far surpassed the increase in Eastern Canada last year. For the first time in ten years western business is on a paying basis. Sales of tractors as well as automobiles have increased. The substantial growth of business is due to the bountiful harvests of the past two years.

Reduction of tariff enacted by the Robb budget, coming as it did in April, did not affect the output at the time. The volume of business was maintained later into the summer on account of the lower prices which the company charged for motors due to the import competition under the tariff reduction.

Importation of completely built motors have increased 250 per cent. during the past few months over the same months in previous years. W. R. Campbell, vice-president and general manager, considers the market for motor cars in Canada has been turned over to the United States export trade by the government.

Kingdom of Belgium Stabilization Loan, 1926

$50,000,000

EXTERNAL SINKING FUND 7% GOLD BONDS
UNITED STATES OF AMERICA ISSUE

To be dated November 1. 1926 ***To mature November 1, 1956***

Interest payable May 1 and November 1.

NOT REDEEMABLE BEFORE NOVEMBER 1, 1936, EXCEPT FOR THE SINKING FUND

A cumulative sinking fund of 1% per annum, commencing August 1, 1928, is to be applied to the purchase of bonds, if obtainable at or below 105% and accrued interest, or, if not so obtainable, to the redemption on November 1, 1928, and annually thereafter, upon 45 days' notice, of bonds called by lot, at 105% and accrued interest.

Redeemable also in whole or in part, at the option of the Government, on November 1, 1936, or on any interest date thereafter, at 105% and accrued interest, upon six months' notice.

Coupon Bonds in denominations of $1,000 and $500, not interchangeable.

Principal and interest payable in United States gold coin of the present standard of weight and fineness in New York City, either at the office of J. P. Morgan & Co. or at the Guaranty Trust Company of New York, Fiscal Agents, without deduction for any Belgian taxes present or future.

Baron M. Houtart, Minister of Finance, and M. Emile Francqui, Minister of State and Member of the Cabinet of the Kingdom of Belgium, have written us as follows under date of October 25, 1926:

With reference to the Kingdom of Belgium Stabilization Loan, 1926, for $100,000,000 U.S.A., or its equivalent in other foreign currencies, we have the honor to furnish the following information:

Arrangements have been made for the issue of the entire Stabilization Loan as follows:

$50,000,000 principal amount in the United States of America.
£ 7,250,000 principal amount in England.
£ 1,250,000 principal amount in Holland.
Fes. 32,000,000 principal amount in Switzerland.
Kr. 9,000,000 principal amount in Sweden.

PURPOSE OF THE LOAN ***The proceeds of the Loan will be paid directly to the National Bank of Belgium, thus reducing by an equivalent amount of francs the debt of the Government to the Bank. These funds received by the National Bank will be devoted by it to immediate stabilization of the currency, in terms of the Royal Decree, dated October 25th, 1926, and Royal Decree dated October 20th, 1926, whereby the National Bank is required, on and after the 25th day of October, 1926, to maintain a minimum reserve in gold and or foreign currencies of 40 per cent. (at least 30 per cent. being in gold) of its note circulation and other demand liabilities; and Royal Decree dated October 25th, 1926, whereby on and after the aforesaid day the National Bank is required to redeem its notes in terms of gold.***

The National Bank is charged with the duty of carrying out the monetary policy, and steps have been taken to provide the Bank with all powers requisite for this purpose and to assure it of the necessary freedom of action.

We may also mention that, in connection with the stabilization program, credits to the National Bank have been arranged by the Central and Reserve Banks of thefollowing countries:

Austria, Holland,
England, Hungary,
France, Japan,
Germany, Sweden,
United States of America.

The present Government is a coalition of all the important political parties in Belgium, formd for the purpose of establishing sound financial conditions, and all the decisions regarding stabilization and monetary policy have been taken unanimously.

PRELIMINARY MEASURES ***The way has been made clear for stabilization by the adoption of the following important m easures:***

A—Reduction of Floating Debt. Under the provisions of the Royal Decree of July 31st, 1926, short-term debt to the amount of Francs 4,201,436,000 has been converted into Preference Shares of the Belgian National Railway Company, guaranteed by the Government, with the result that such internal floating debt of the Government has been reduced to Francs, 2,153,000,000, inclusive of postal deposit accounts.

The external floating debt of Belgium amounts to the equivalent of $24,148,000. The Government and the National Bank have made full provision in foreign currencies to meet this debt from funds already in hand, exclusive of the proceeds of the Stabilization Loan.

B—Fonds d'Amortissement de la Dette Publique. This is an autonomous public institution created by Law of June 7th, 1926, to undertake all amortization of Government debt. It receives in addition to the sums specifically provided by law annually for amortization:

1. A special contribution for a period of four years of Francs 1,500,000,000 minimum per annum, derived from new taxation voted for the purpose.

2. The Preference Shares of the Belgian National Railway Company having a total nominal value of Francs 10,000,000,000, of which part has been applied to debt conversion as above. The proceeds of the sale of the balance, les 10%, will be devoted to retirement of Government debt.

3. The proceeds of the sale of State property.

C—Belgian National Railway Company. The Societe National des Chemins de Fer Belges, an autonomous organization, was created by law of July 23rd, 1926, to operate and finance the Belgian State Railways. Since the organization of the Company, passenger and freight rates have ben raised approximately 37 % to 50%.

RECEIPTS AND EXPENDITURES FOR 1926 ***Upon the basis of the actual receipts and expenditures of the State in the first eight months of the current year, we are confident that the Government will be able to meet 1926 current expenditures by means of current income. In this connection, it should be noted that the expenditures include various sinking fund provisions sufficient to permit (after allowing for the issue of Belgian Government 30-year Reparation Bonds to the extent of Francs 512,000,000) of a net reduction of the existing public debt by approximately Francs 600,000,000.***

GOVERNMENT DEBT ***to the House of Representatives budgets for the year The Government undertakes to present 1927, the arrregate expenditures and receipts of which are in balance and the expenditures of which will include sinking fund provisions sufficient to effect a similar net reduction of approximately Francs 1,350,000,000 in public debt.***

THE 1927 BUDGET **The external debt of Belgium, inclusive of the Stabilization Loan and of inter-governmental debt, amounts to the equivalent of approximately $833,872,000 or $108 per head of the population. The internal debt of the Government, including all guaranteed debt, amounts to Francs 32,645,421,741 or approximately Francs 4,240 per head of the population.**

If, in future, the Government shall issue any loan, whether internal or external, having a lien on any specific revenues or assets, the bonds of the Stabilization Loan 1926 shall share ratably in any such lien.

THE ABOVE BONDS ARE OFFERED FOR SUBSCRIPTION, SUBJECT TO THE CONDITIONS STATED BELOW, AT 94% AND ACCRUED INTEREST, TO YIELD 7.50% TO MATURITY.

Subscription books will be opened at the offices of J. P. Morgan & Co. and Guaranty Company of New York, at 10 o'clock A.M., Tuesday, October 26, 1926, and will be closed in their discretion. The right is reserved to reject any and all applications, and also, in any case, to award a smaller amount than applied for. All subscriptions will be received subject to the issue and delivery to us of the bonds as planned.

The amounts due on allotments will be payable at the office of J. P. Morgan & Co., in New York funds to their order, and the date of payment (on or about November 4, 1926) will be stated in the notices of allotment. Interim Certificates will be delivered, pending the preparation and delivery of the definitive Bonds.

J. P. Morgan & Co. *Guaranty Company of New York*
First National Bank, New York *The National City Company, New York*
Bankers Trust Company, New York *National Bank of Commerce in New York*
The Equitable Trust Co., New York *The New York Trust Company*
Harris, Forbes & Co. *Lee, Higginson & Co.* *Kidder, Peabody & Co.*
Dillon, Read & Co. *Brown Brothers & Co.* *Halsey, Stuart & Co. Inc.*
First Trust and Savings Bank, Chicago *Illinois Merchants Trust Company, Chicago*
Continental and Commercial Company, Chicago
Central Trust Company of Illinois, Chicago *The Union Trust Company, Pittsburgh*

New York, October 26, 1926

As subscriptions have been received in excess of the amount of bonds offered, this advertisement appears only as a matter of record.

Public Utilities

BRAZILIAN MARKET PRICE CONSIDERED MORE STABLE NOW

Break From Peak Showed Future More Than Discounted

The reaction and partial recovery of Brazilian Traction after its remarkable upward movement has evidently restored a much more healthy market position. Brazilian sold at 80 early in the present year, then advanced to a high of 123½, broke to par and below and is now selling around 108. The break from the peak was hardly a matter for surprise for, despite the company's splendid future prospects, it was evident that any reasonable increase in dividend in the early future had been more than discounted. Then, too, it was pretty definitely indicated that the buying by the Lowenstein interests had been something more than normal investment absorption and it induced considerable profit-taking which was inclined to spread, as is usually the case, when the edge of the advance was turned. The New York slump also added momentum to the reaction for a time and the developments in Brazilian exchange were taken at their surface value as indicating a reduction in the dollar value of profits. The decline had not gone far, however, before it became evident that the price was again attractive to strong investment interests which have been closely identified with the buying throughout.

Moderate Valuation Preferred

As regards the developments in exchange it may again be pointed out here that a stabilization on a moderate valuation basis is more important than to secure a rapid and artificial restoration. The latter would have its attractions in improving the prospects for an immediate increase in the dollar distribution to shareholders but the former is regarded by Sir Alexander Mackenzie, the president, and other directors as more important in the welfare of the company from the standpoint of establishing sound industrial conditions and general prosperity so that a stable market for the company's public services may be assured at profitable rates.

Street gossip has it that the policy of the company in regard to dividends will be to increase the rate annually one per cent. for several years, so long as this can be justified by profits. Net earnings of Brazilian in September showed a substantial increase of nearly $400,000. It is calculated that the company will show an increase of $5,000,000 in profits this year, making the total available for common dividends $12,500,000 or just about 12%.

Public Utility Earnings

Ottawa and Hull Power

September—	1926	1925	Increase
Gross	$ 34,458	$ 29,672	$ 4,785
Oper. Exp. ..	6,230	4,758	1,471
Net	$ 28,228	$ 24,914	$ 3,314

Minneapolis, St. Paul & S.

September—	1926	1925
Revenue	$2,965,566	$3,926,471
Expenses	1,834,147	1,999,813
Net profit	555,351	1,327,718

Trinidad Electric

Earnings for August, 1926—

	Gross	Net
Railroad	$13,284	$ 3,736
Light and Power	16,493	7,842
Ice & Ref.	6,458	2,029
Miscellaneous		15
		$13,623

Canadian Western Gas

	1925	1926	Change
January	$ 163,953	$ 138,443	—$ 25,510
February	171,679	126,850	— 44,829
March	148,335	111,770	— 36,565
April	91,602	106,121	+ 14,519
May	61,584	52,898	— 8,686
June	43,159	37,018	— 6,141
July	34,097	43,725	+ 9,628
August	37,068	40,520	+ 3,452

East Kootenay Power

September—	1926	1925	Increase
Gross earn ...$	35,804	$ 32,460	$ 3,344
Oper. exp.	7,801	7,675	126
Net earn. ....$	28,003	$ 24,785	$ 3,218
6 months ended Sept. 30—			
Gross earn. ..$	201,413	$ 191,772	$ 9,641
Oper. exp.	50,512	46,598	3,914
Net earn. .....$	150,901	$ 145,174	$ 5,727

Winnipeg Electric

August—	1925	1926	Increase
Gross Earn. ..$	389,939	$ 416,048	$ 26,109
Expenses	271,478	285,373	13,895
Net Earn. ....$	118,461	$ 130,675	$ 12,214
Aggre. gross from 1st Jan. to end of Aug.	$3,470,952	$3,603,375	$132,423
Aggre. net from 1st Jan. to end of Aug.	$1,127,038	$1,261,709	$134,671

Dominion Power and Transmission

September	1926	1925	Increase
Gross earn.	$269,456	$252,797	$16,659
Gross exp.	193,633	182,665	10,968
Net earn.	$ 75,823	70,132	5,691
Nine months	1926	1925	Increase
Gross earn. ..	$2,360,854	$2,249,009	$ 111,845
Gross exp. ..	1,556,294	1,563,298	x7,004
Net earn. ..	$ 804,560	$ 685,711	$ 118,849

x—Decrease.

Monterey Railway, Light

—3 mos. to June 30, 1926—

	Gross	Expenses includ. provision for renew. & obsoles.	Change
Ry light & pr..$	240,298	$ 248,322	—$ 8,023
Water & Sew..	65,766	28,643	+ 37,122
Total ......$	306,065	$ 276,966	+$ 29,099
Aggre. earn from 1st Jan., 1926, to 30 June, 1926	$ 588,891	$ 554,246	+$ 34,645

B.C. Electric Railway

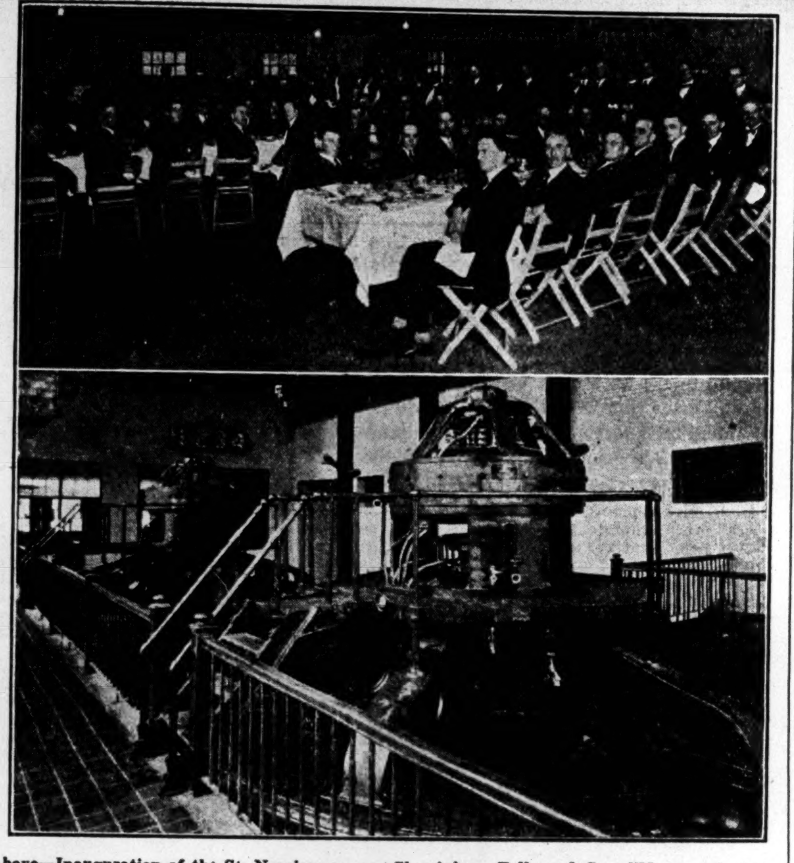
August—	1925	1926	Increase
Gross earn. ...$	977,608	$1,019,798	$ 42,190
Exp., main., etc.	709,769	750,979	41,210
Net income ....$	267,839	$ 268,819	$ 980
Aggre. gross from 1st July to 31 Aug., 1926 ..	$1,923,060	$2,018,141	$ 95,081
Aggre. net from 1 July to 31 Aug., 1926 ..$	555,479	$ 533,377	*$ 22,102

*—Decrease.

Twin City Rapid Transit

Third Quarter—	1926	1925	P.C. Inc. or dec.
Gross	$2,881,885	$2,847,326	+01.21
Expenses	2,167,170	2,253,774	—03.84
Net rev. ......$	714,715	$ 593,552	+20.41
*Fix. chgs	536,075	537,164	—00.20
Net income ...$	178,639	$ 56,387	+216.81
Nine months—	1926	1925	P.C. Inc. or dec.
Gross	$9,479,051	$9,231,792	+02 68
Expenses	6,913,957	6,853,484	+00.88
Net rev.	$2,565,094	$2,378,307	+07.85
*Fix. chgs.	1,664,008	1,663,696	+00.02
Net income ....$	901,085	$ 714,610	+26.09

*—Including taxes.



Above—Inauguration of the St. Narcisse power plant, adding 25,000 horse power to the Shawinigan system. Presided over by James Wilson, secretary of The Shawinigan Water & Power Company. There were present the mayor and councillors of St. Narcisse and Ste. Genevieve, official representatives of Three Rivers, Shawinigan Falls and Grand'Mere, and of the North Shore Power Company and the Shawinigan Water & Power Company.
Below—Interior of the St. Narcisse plant of the North Shore Power Company, showing two 10,000 kilowatt units.
Plant was opened last Friday.

Mackay Not Going Out of Business Through "Beam

Ultimate effect of the new beam wireless system of the Marconi Wireless Telegraph Co. upon the earnings of Mackay Companies, is causing much comment on the street and among Canadian holders of that company's stocks. The common stock dropped 10 points during the first week in sympathy with a belief that the earnings of Mackay's cable companies would be considerably affected through having to meet the competition of a much faster service The weakness is due almost entirely to the fact that Mackay has never given its shareholders anything but a skeleton financial report and no information is available as to the proportion of earnings which are attributable to cable investments.

However, it is generally understood the advent of the high-speed beam service will supplement rather than drive to the wall existing services. In other words, there is room for all, in the field of transoceanic communication. If Mackay loses some of the high-speed business that is now being routed through New York instead of through Montreal, the total amount of business will in all probability be more than made up by the added impetus that an invention of this sort gives to the use of rapid communication services. In the annual report of the Mackay companies issued last February, Clarence H. Mackay made the following statement:

"Your cable company during the year handled a record number of messages. The increasing use by the public of the deferred services, and the general reduction in the Atlantic cable rates in 1923, has resulted in a situation where the net profit does not increase proportionately with the increase in the volume of traffic, but the net profit for 1925 was slightly in excess of 1924. It is hoped that the advent of the high-speed cable and the greater capacity to be secured from the present cables will gradually correct the situation. Every indication points to a continuous increase in cable traffic now that the peace of Europe is practically assured by the signing of the Treaty of Locarno. Your company is watching the trade situation closely and is prepared to lay a new cable of the latest high-speed type as soon as there are indications that its present facilities are unequal to carrying the traffic."

The success of competitive systems on the Atlantic is still to be decided on the basis of service and all the existing systems seem to be well equipped to handle a fair share of the new and existing business.

Canada Northern Power Pushing Big Extensions

Progress of Canada Northern Power Corporation is shown by information made public this week.

Earnings statement for the month of September and the nine months ended September 30 shows:

	September 1926	9 months ended Sept. 30 1926
Gross	$211,722	$1,816,482
Expenses ..	61,796	486,373
Net earn.	$149,925	$1,300,108

Excellent progress is being made with the line into the Rouyn district, and it is expected that the company will be supplying light to the town of Noranda and the Rouyn district before December 6, on which date the formal opening of the mine of the Horne Copper Company is to take place.

The company have a line from its Indian Chutes plant into Kirkland Lake surveyed, and the right-of-way is being cleared in order to get this line in at the earliest possible moment. This will give the town of Kirkland Lake and the mines an additional supply of 60-cycle power.

The line from Cobalt to Kirkland Lake is also being restrung with copper wire of increased capacity in order to improve the service.

Since Canada Northern Power Corporation have taken over Northern Canada Power and Northern Ontario Light and Power, the company has made extensions to these properties which are already in operation or in progress of construction, amounting to nearly $1,000.000.

New Marconi Beam Wonderful Achievement; Will Not Displace Cable

The recent success of the Marconi Wireless Telegraph Co. in developing "beam wireless" for transatlantic use, adds another chapter to the romance of radio history. The announcement of a regular "beam" service between Great Britain and Canada comes as the result of continuous tests made over a period of three months, between the two countries. Conditions established by the engineers of the British Post Office have been already fulfilled, so that the matter can be said to have definitely stepped out of the experimental stage and into the commercial achievement.

Much comment has been offered with respect to the effect of the new service on the existing means of transatlantic communication, and it is generally conceded that the new service will supplement rather than drive out the existing equipment. According to authoritative opinion there is sufficient business for both the new Marconi system and the present system of cables. The immediate effect of the new service will be to increase the speed of transmission, since the new beam is by far the fastest method of transmission that has yet been devised.

Maximum Speed Greatly Increased

Heretofore the maximum speed has been about 20 to 40 words per minute but the beam is capable of 1,250 letters per minute each way, which is equal to 2,500 over the whole circuit. During the recent tests that have been made the average speed was about 600 words per minute in each direction. Some of the special advantages of the beam are that the message is not affected by atmospheric conditions, is secret and cannot be tapped, save by some elaborate and expensive device. Furthermore it can be projected by intense wave in the direction required, and can be operated by a much lesser volume of electrical energy than the old system required.

Harbord on Beam Wireless

General J. G. Harbord, president of Radio Corp. of America, in response to inquiries with regard to the announcement of the Marconi Wireless Telegraph Co., said:

"Directive reception has been the established method for securing the best results on long waves for some years past. But short-wave directive reception, coupled with its application to transmission, represents a notable step forward in the progressive development of the art. The recent tests between England and Canada demonstrate that the short-wave method of communication, known as the beam system, is scientifically and commercially sound. We may next look forward to the rapid development and application of this system.

"The beam system, while highly efficient, will in no sense supplant the present long-wave high-power facilities now used in the transmission and reception of radiograms across the ocean. This newer system will serve as an addition to the already existing facilities and will contribute its share in effecting a substantial and general improvement in transoceanic service.

"The use of the present facilities, coupled with the advantages peculiar to the beam system, may not only advance the general efficiency of transoceanic radio service, but the rate of signalling or speed with which words are exchanged may be increased considerably beyond the present rate. Furthermore, it is expected that the use of the beam system will make a substantial contribution in the further development of the photoradiogram or facsimile services."

More Canadian Routings Expected

One of the direct benefits that promoters of the new system hope to obtain is the transmission of fast cables direct from Canada, which were previously routed through the United States. Thus without interfering with the present regular cable services, the fast messages would be able to go direct from Canada instead of via New York.

For the present there will be no reduction in rates through the beam system, it being expected that the present standard rates will prevail. The ultimate basis of competition between the various systems will be on the grounds of service and the opinion is generally expressed that the ultimate success of the beam will be proportionate to its ability to give service.

Beam messages are transmitted by means of a perforator which is a peculiar shaped typewriter with an ordinary keyboard. This punches the morse code directly onto the tape which runs into a transmitter at a speed which can be regulated from 20 to 400 words per minute. This transmitter instantly operates the main transmitter at Drummondville by a system of wired wireless controls, and from there the message is instantaneously sent out by the directional beam which records at the same instant in Bridgewater, Somerset, and in the central office at London. There is no re-transmission of the message anywhere — immediately the tape goes into the transmitter at Montreal, it operates the high speed undulator in London which records the Morse code on a moving tape. This tape passes in front of an operator at an ordinary typewriter in London who decodes the message as it passes along a metal strip in front of him. The highest speed attained by the undulator at present is about 265 words a minute which is about eight times as fast as the old Canadian service.

NEW ISSUE

$2,000,000

Penmans Limited

First Mortgage 5½% Twenty-Five Year Sinking Fund Gold Bonds

To be dated November 1, 1926 To mature November 1, 1951

Authorized and Issued $2,000,000

Coupon Bonds in denominations of $1,000 and $500, registerable as to principal only. Principal and semi-annual interest (May 1 and November 1) payable in Canadian gold coin at the principal office of the Bank of Montreal in Montreal or Toronto, or in United States gold coin at the Agency of the Bank of Montreal in New York City, or in Pounds Sterling at $4.86 2/3 at the Bank of Montreal in London, all at the option of the holder. Redeemable as a whole or in part at the option of the Company on any interest date on thirty days' prior notice at 110 if redeemed on or before November 1, 1941, at 105 thereafter if redeemed on or before November 1, 1950, and at 100 thereafter until maturity.

TRUSTEE: THE ROYAL TRUST COMPANY, MONTREAL

The following information has been summarized by Sir Charles B. Gordon, G.B.E., President of the Company from his accompanying letter:

Penmans Limited, successor to a business founded in 1870, is one of the oldest Canadian manufacturers of silk, cotton and woollen knitted goods, and has seven mills which are situated in the Provinces of Quebec and Ontario. Distribution of the Company's products is effected through selling agents both in Canada and abroad where they are widely and favourably known. Goodwill, trade marks, etc., are carried in the balance sheet at the nominal value of $1.

These Bonds which will constitute the only funded debt of the Company will be secured, in the opinion of Counsel, by a direct First Mortgage on the fixed assets of the Company now owned or hereafter acquired, and will also constitute a floating charge upon all its other assets.

The new Mortgage will provide for an annual sinking fund commencing November 1, 1927, equal to 1% of the aggregate principal amount of Bonds authorized to be issued plus interest on all Bonds redeemed, estimated to be sufficient to retire 50% of the issue by maturity.

The Company's audited statements show average annual earnings before interest and Federal taxes but after all other charges, including reserves for depreciation and doubtful debts, for the four years ended December 31, 1925, of $531,020 or more than 4.8 times the annual interest requirements on these Bonds.

The $2,000,000 First Mortgage 5% Bonds, due November 1, 1926, which appear on the balance sheet as of December 31, 1925, will be replaced by an equal amount of First Mortgage Bonds, due November 1, 1951 (this issue). On the basis of this balance sheet net current and fixed assets (less depreciation) amount to $7,352,382, or equal to $3,676 per $1,000 Bond of this issue.

Dividends on the Preferred and Common Stocks of the Company, of which there are outstanding $1,075,000 and $2,150,600 respectively, have been paid without interruption since their issuance in 1907, and the market value of these securities ranking junior to this issue of Bonds, as represented by current prices, is $4,946,074.

These Bonds are offered when, as and if issued and received by us, and subject to the approval of all legal details by our Counsel. It is expected that Interim Certificates of The Royal Trust Company, Montreal, will be ready for delivery on or about November 9, 1926.

Price 98½ and Interest, yielding over 5.60%

Bank of Montreal **The National City Company Limited**

The information contained in this advertisement is based upon official statements and statistics on which we have relied in the purchase of these Bonds. We do not guarantee but believe it to be correct.

THE FINANCIAL POST

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN.
Vice-President—HORACE T. HUNTER.
Manager—GORDON RUTLEDGE.
Managing Editor—FLOYD S. CHALMERS.

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. Inspection.

ADVERTISING RATES:

Single Insertion—$2.80 per inch.
Financial Reports, Debenture Notices, etc., 20c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada and the United States, $5.00 per annum.
United Kingdom, 21s.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
143-153 University Ave., Toronto, 2.

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager. Rielle Thompson, Eastern Editor; WINNIPEG, 810 Confederation Life Building; NEW YORK, Room 1606, 1133 Broadway; CHICAGO, Room 1004, 168 North Michigan Boulevard. GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet Street, E.C., E. J. Dodd, director.

TORONTO, OCTOBER 29, 1926

OUR NEWSPRINT MILLIONS

IT IS a matter of no small significance to Canadian business in general that another year of stability in newsprint prices is assured to the great paper industry of the nation. In fixing the 1927 price for newsprint at $65 a ton the companies have insured a continuance of prosperity for the industry. At $65 a ton Canadian newsprint mills can make a moderate profit; sufficient to pay operating expenses and interest bills, to set aside certain reserves and pay a fair return to investors in the industry. Whether they can, on $65 newsprint, provide ample funds for adequate forest protection and renewal programmes, is a question upon which there is not universal agreement. Assuredly, newsprint at $70 a ton would be a better thing for the industry, looking ahead a generation, as it would relieve the companies of the necessity of purse-pinching in forestry control.

Canada's production of newsprint paper in 1925 had a value of $106,268,641, and indications are that the production in 1926 will add at least $110,000,000 to the nation's wealth this year. Next year should see a still further increase in the figure, perhaps to $125,000,000, a staggering sum to come from the production of a single commodity in one year and in one country.

INCOME TAX IN ONTARIO

WHAT action has been taken by the committee appointed to go into the matter of revising the existing Ontario Assessment Act?

For two years, it is understood, this committee has been meeting at regular intervals, but to date no details of the findings have been made public. Yet from time to time attention has been called to the inconsistencies of this piece of legislation, which should be corrected without further delay. An example of the unworkability of this act is the case of a Toronto business man, referred to in these columns recently. This man is now appealing to the county judge against the ruling of the Toronto Court of Revision in taxing him on the full amount of dividends received from his stock and bond holdings, without taking into consideration carrying charges.

The attitude taken by the municipalities is that, whereas the Dominion government taxes a corporation on its profits, they only tax the income derived from dividends. If carrying charges were eliminated the contention is that revenue would be seriously curtailed. And here is an important point in the inconsistency of the stand of the municipal authorities. The federal government exempts all carrying charges on stocks and bonds, but on the other hand, the municipalities tax all carrying charges with the exception of loans made to pay allotments on a war loan issue of the government of Canada. If an exception is made in this case, why not for all bonds and stocks?

Up to date many hundreds have experienced similar treatment at the hands of the municipal authorities, but as the amounts involved were usually small, no effort was made to have redress, as it is obvious that the cost of legal proceedings would more than outweight the benefits received.

As the Assessment Act now reads, each municipality is allowed to fix its own tax. In the city of Toronto, for example, the rate is about 30 mills, so that the householder pays three per cent, on an income over two thousand dollars. Yet, in a neighboring municipality, the rate may be only 28 mills, or incomes may not be conscientiously assessed at all. This situation has resulted in numerous justifiable cases of "tax dodging." Why should a man living in Toronto pay more on his income than the man living just outside the municipality, when both earn their incomes in the city?

This unsatisfactory state of affairs has existed for some time, and punitive efforts have been made not infrequently to bring about an amendment of the act and put in force a uniform rate of municipal taxation all over the province. This is undoubtedly a difficult problem, but it is one worthy of consideration by the provincial legislature. Whether or not some method of equalization of municipal rates can be effected, close attention should be given to bringing about a closer uniformity between the different municipalities.

GOOD WORK IN COAST

BRITISH COLUMBIA is taking a progressive step in setting aside a specific proportion of its forest revenues to insure the future of its forest reserves. Recent legislation provides the machinery.

There seems to be an impression abroad that reforestation means planting by artificial methods only, whereas all forest authorities depend very largely upon trees from naturally sown seed. Planting is a costly and spectacular undertaking, which receives a lot of advertising and has some merit, but which can not be as effective in providing a future timber supply as the natural scattering of the lowly seed by nature itself. This is as true in Europe as in America, and even in Germany, where regulated forests and planting receive their strongest support, the tendency is towards natural heterogeneous stands secured from natural seeding.

British Columbia, therefore, does not intend to launch out immediately into an extensive scheme of artificial planting but rather proposes to develop along natural lines, protecting and encouraging what now exists.

The forest reserve fund will be spent, according to P. Z. Caverhill, chief forester of the province:

> "In developing forest reserve areas, by extending roads and trails and by the construction of look-outs and other facilities for the control of forest fires;
>
> "Survey and stock-taking of forest reserve areas to ascertain the present stand of timber, reproduction and age classes of same;
>
> "The examination of additional areas to ascertain their suitability for forest growing purposes and forest reserves."

The creation of nurseries and the undertaking of the planting of areas not being restocked by natural means will be for future consideration after other forestry matters of primary importance have been given attention.

The forest reserve account referred to is being created by annual payments from forest revenues. Three per cent. of the gross receipts from timber royalty or tax and stumpage is set apart each year to this laudable end of maintaining the forests.

Recognition of the vital importance of the forests to the country and the adoption of means, such as are being taken in British Columbia to insure the future of the forests, are essential to Canada's continued prosperity, and every such move should be given public support.

THE PUBLIC BE—SERVED

MORE and more generally it is being realized by big business that not only must the modern industrial or utility corporation serve the public, but that it must convince the public that its service is reasonable in price and efficient—that it returns full value for the public's dollar. This in the interests of the future welfare of the corporation and to insure the maintenance of dividends to the shareholders.

The Canadian General Electric Company is the latest of the big corporations in Canada to adopt this policy of public education—goodwill advertising as it is known by its short title. A series of advertisements is appearing in influential Canadian publications illustrating the various activities of the company in its many fields, and based on the statement of the president, D. C. Durland: "It is an indisputable fact that any business can prosper only as the result of the public service it renders." Mr. Durland explains that back of the campaign there is the company's great fundamental purpose: "to render a service to all the great basic industries of Canada, making possible a wider development of the natural resources in which our government is so rich."

Time was not so many years ago when big business corporations, rightly or wrongly, were convicted before the bar of public opinion of subscribing to the "the public be damned" policy. There followed such developments as the Sherman anti-trust law in the United States, and the spread of public ownership in many parts of Canada. The public demanded that the corporations be put in their place. Since that time big business has been justifying itself with the public, not only by creating through highly organized production the most prosperous conditions that any part of the world has ever known, but also by educating the people to what has brought about this prosperity. To-day there is a distinctly different attitude towards the big corporations. Mergers projected on sound economic grounds to curtail the costs of production or distribution to the benefit of the public are being encouraged rather than being frowned upon.

In this new appreciation of the benefits of big business educational publicity and the frank presentation of figures showing earnings and profits have played a very important part. Big corporations like the Canadian Pacific in Canada and the U.S. Steel Corporation in the United States have set the example. It is an example which others would do well to follow, as the Canadian General Electric is so effectively doing.

BLUE SKY LAWS

OVER in Michigan, they are trying to revise their blue sky law. The honest investment bankers of the state have set out to draft a securities law that will make it difficult for the unscrupulous, dishonest stock jobber to market his wares and that will cause as little inconvenience as possible to reliable houses placing sound investments in the hands of the people.

Michigan's blue sky law has not worked well. There is much red tape to it. It takes a long time to get an issue passed and it is usually the people with the poorest issues and the longest commissions that can afford to take the time to put them through the blue sky commission. A number of rank stock-jobbing propositions, that have been offered simultaneously in Canada and the United States and that have been severely criticized in The Financial Post, have gotten the approval of the blue sky commission in Michigan, and this has helped the promoters to sell their stock. On the other hand, many important and sound issues of corporation securities have been entirely sold out before the Michigan commission got around to giving them their approval. This has hampered the business of Michigan investment houses, who have been forced to stay out of important national and international syndicates.

Blue sky laws have to be carefully drawn. In Canada, the criminal code in itself covers most of the sins of crooked stock promoters.

NAMING OUR MOTOR ROADS

THE practice adopted in the United States, and in some parts of Canada, of naming leading motor routes by an appealing and suitable name is a factor for building tourist traffic. The linking up of a group of New York, Pennsylvania and Maryland highways under the name of the Susquehanna Trail and the advertising of this ribbon of concrete by hotels, and towns en route has induced thousands to route their motor journeys over this route. Then there are the Storm King Highway, the Lincoln Highway, the Lee Highway and others that have been given attractive names rather than mere numbers.

Some one has proposed that Ontario might give its provincial highways interesting names—the Muskoka Highway, the Mississauga Trail, the Champlain Trail, etc. The numbering system could still be retained for convenience in marking out a route.

There is merit in the proposal and the various cities and provinces throughout Canada should co-operate in working out plans to tie different highways together in distinctively named motor routes that will attract tourists and build business for Canada.

MR. MURPHY VINDICATED

WHEN Hon. Charles Murphy, as postmaster general of Canada made a strong stand for Canada's rights in the management of the Pacific cable, to which this country has made generous contributions, petty propagandists for the smaller bureaucracy of the Colonial Office would have had the world believe that Mr. Murphy was trying to shake the Empire off its foundations.

Now it appears that Canada is winning out on practically every point raised by Mr. Murphy

A little more vigorous defence of Canada's interests in intro-Imperial matters along the line of Senator Murphy's stand in the cable dispute will not do the Empire any harm, since the Empire cannot be strong unless each nation in the Empire is strong and self reliant.

COMMERCE AT COLLEGE

TORONTO University is to be commended for arranging a course of training so practical as the series of lectures on investment banking being given to the students of commerce and finance course.

The tendency in the better American universities is to more practical lectures, likely to be of value in business life, and Toronto University is evidently determined not to lag behind. Last year, a course of lectures in insurance was arranged.

EDITORIAL NOTES

TORONTO GLOBE has nothing but "boos" for "booze."

* * *

WONDER IS some life insurance company or bond house hasn't put Queen Marie on the sales staff.

* * *

SIZE OF expenditures on new Welland Ship Canal suggests question: "Is it to be gold lined?"

* * *

"PROSPERITY sweeping Canada," says headline in American newspaper, which is good publicity anyway.

* * *

CANADA'S dollar is at a premium in New York, but bell-hops in that city still hand back Canadian silver and ask for "real money."

Investing Corporation Reserves With Profit and Security in View

An industrial concern has asked The Financial Post for suggestions as to the investment of $25,000 reserve funds under the following conditions:

"We have built up a reserve fund to a point where it is now about equal to the capitalization of our company. This fund is invested chiefly in Dominion government bonds. We believe we would now be justified in investing further surplus which might accrue in bonds or stocks with good security, but offering a little greater opportunity for appreciation in value. We would still, of course, put security as a first consideration."

In connection with this inquiry leading investment houses have been asked to submit suggestions which will be passed on for consideration. Those so far received have been summarized as follows for the benefit of other readers. Further suggestions would be appreciated and also published:

L. G. Beaubien & Co., Montreal.—We would recommend Canadian Light & Power new first mortgage 5's, 1949. The control of that company by the United Securities, the sale of its power to the Quebec-New England Corporation at $20 per h.p. under a long-term contract, the sinking fund provisions of the new issue and the remodelling of the plant to raise the minimum production to 16,000 h.p., make those bonds one of the most interesting securities on the market at this juncture. Fixed charges and sinking fund combined will not exceed $188,000 as against a minimum income of $360,000.

Looking over the list of stocks, Montreal Tramways would seem to be as good as any, if not better. Practically the equivalent of a bond under the present contract with the city, that stock has behind it an equity which is being added to every year.

In the unlisted department, we would pick out St. Lawrence Paper common. At the present quotation, there is a practical certainty of a 100 per cent. profit on this stock in two or three years.

Bell, Gouinlock & Co., Toronto.—In regard to the investment of $25,000, we would suggest the following:

Government of Argentine Nation 6 per cent. bonds, due 1957, price 99 and interest, yielding 6.05 per cent.

Kingdom of Norway 6 per cent. bonds, due 1952, price 101.25 and interest, yielding 5.90 per cent.

Duke-Price Power Co., 6 per cent. bonds, due 1966, price 103.25 and interest, yielding 5.80 per cent.

Gatineau Power Co., 5 per cent. bonds, due 1956, price 94 and interest, yielding 5.40 per cent.

Essex Border Utilities 5½ per cent. bonds repayable in 30 instalments, price, rate to yield 5.25 per cent. to 5.30 per cent.

We have not suggested any industrial first mortgage bonds as we feel it is not good practice, as a general rule, for an industrial corporation to invest their reserve funds in securities of other industries.

We do not know what the plans of the industrial concern in question are for the future disposal of the reserve fund, but conclude that they wish to keep it in liquid shape, as under normal conditions their money should be far more profitable invested in their own business than in securities yielding around 6 per cent. We have, therefore, made the suggestion in accordance with the request for securities yielding a higher income than government or municipal bonds.

Wm. C. Brent & Co., Toronto.—Reserve funds, especially of an industrial concern, should be decidedly liquid in character, and, of course, there is nothing better for this purpose than Dominion government bonds.

If a selection of bonds of another character be carefully made, little risk would be involved, but there is nothing which is as liquid as governments.

We would suggest the purchase of first mortgage real estate bonds, a choice of which can be made to yield 6½ per cent. to 7 per cent.

C. H. Burgess & Co., Toronto.—We presume that the company would prefer to keep its money in Canada or in Canadian securities. We believe the old reliable stocks of our institution, when properly diversified, will afford a satisfactory security for any industrial concern or, in fact, for the investment of any funds of a business nature.

Among the first that we would mention would be a percentage of, say, $5,000 in the stock of the Canadian Pacific Railway. Canadian Pacific pays 10 per cent. dividends and sells at $166, thus yielding something over a 6 per cent. income. The prospects of appreciation in Canadian Pacific is very extensive. The company has gone through rather serious times in Canada, but has come through with its position unimpaired and with a reasonable measure of growth in this country its earnings should amount considerably and its dividend should be increased in the course of a year or two, if not before.

Then we think a portion of funds could be safely invested in the stock of F. N. Burt & Co. This pays $3 a share and sells at 56. The yield is not high, but the assets behind this stock are enormous and must sooner or later be reflected in the stock. The liquid position of this company is particularly strong and there is no reason to fear that the dividend on this company's stock would be discontinued or that there would be much depreciation in its value even temporarily.

We would also suggest the 7 per cent. preferred stock of Canadian Car & Foundry Co., selling at about 87, and yielding over 8 per cent. This company has been earning its dividend during the past year, which was a quiet one. The most interesting feature about it is that its liquid position is so strong that even with very modest business it could continue to pay its 7 per cent. dividend for some time to come.

Another stock is the Steel Company of Canada common. This company has come through days of stress and has emerged stronger than ever before. The common selling at 108 is one that not only offers safety but also good interest returns, together with an opportunity for an increase in the value of its security.

We would also think that investment in companies having to do with basic materials would be something that the company should well consider. In this connection we mention International Nickel Co. Its stock, selling at about $37, and paying $2 a share, offers as much chance for enhancement in value as probably any stock on the list.

We would consider that any one investing their funds in securities diversified among these few Canadian companies would not only have a safe investment, but also have an investment that would give them a reasonably good interest return and one that will increase their wealth as the years go by.

Cochran, Hay & Co., Toronto.—It is our opinion that the company should purchase only trustee securities. The company is not, apparently, in the investment business and due to the very nature of the surplus, we feel that the above course is best. We are further of the opinion that the trustee securities purchased should be of a highly marketable character, inasmuch as the surplus is held for the benefit of the shareholders and the company and should be available at a moment's notice. We would, therefore, recommend the purchase of such issues as:

Dominion of Canada 5½ per cent. bonds, due 1934, price 103¼ and accrued interest, yielding better than 5 per cent.

Dominion of Canada 5½ per cent. bonds, due 1932, price about 102.60 and accrued interest, yielding better than 5 per cent.

Both of these issues are of reasonably short term and are not likely to fluctuate seriously in value. The one exception that we might make to the above policy would be in the case of the so-called "Family Corporation." In such circumstances it is likely that the shareholders representing a majority of the stock are also directors or officers and that they feel they are justified in investing the surplus as they wish, because it is largely their own money.

F. H. Deacon & Co., Toronto.—We list below a few suggestions for the investment fund referred to.

$5,000 Gatineau Power Co., 5 per cent. bonds, due 1956, at 94 and interest to yield 5.40 per cent.

$5,000 Duke-Price Power Co., 6 per cent. bonds, due 1966, at 103.50 and interest to yield 5.77 per cent.

$5,000 Northern Canada Power, 6 per cent. bonds, due 1945, at 101.50 and interest to yield 5.90 per cent.

$1,000 Page Hersey Tubes, 6 per cent. bonds, due 1946 at 101.50 and interest to yield 5.88 per cent.

$1,,000 Canadian Bakeries, 6½ per cent. bonds, due 1945 at 103.32 and interest to yield 6.20 per cent.

$1,000 Anticosti Corporation 6½ per cent. bonds, due 1946 at 102 and interest to yield 6.30 per cent.

$1,000 Port Alfred Pulp and Paper Corporation 6½ per cent. bonds, due 1943, at 102 and interest to yield 6.30 per cent.

$1,000 William Davies Company Inc., 6 per cent. bonds, due 1942, at 95 and interest to yield 6.50 per cent.

15 shares Consumers' Gas Company, of Toronto, at 172½ to yield 5.86 per cent.

20 shares Mackay Companies common, at 133 to yield 5.28 per cent.

All the securities included in this list have an excellent market and offer exceptional value at their respective prices. This list should gradually appreciate in value, particularly in the case of Mackay common through a possible increase in dividend or bonus payments. Consumers' Gas should prove a very profitable investment owing to the company's policy of offering stock to shareholders below the market from time to time.

Dyment, Anderson & Co., Toronto.—We note that the company's investments are chiefly in Dominion government bonds and that they are now contemplating investing in securities offering a little greater opportunity for appreciation. We consider government and municipal bonds the most suitable for funds of this kind, but if a higher return is desired, we would suggest the following which includes foreign government, Canadian corporation and municipal bonds.

City of Edmonton, 5½ per cent. bonds, due 1945, at 100.60 and accrued interest yielding 5.45 per cent.

St. Maurice Valley Corporation 6 per cent., first mortgage and collateral trust bonds, due 1945, at 100 and accrued interest yielding 6 per cent.

Brompton Pulp and Paper first and refunding mortgage, 6 per cent. bonds, due 1946, at 99.75 and accrued interest yielding over 6 per cent.

United States of Brazil 6½ per cent. bonds, due 1957, at the market yielding about 7.25 per cent.

The yield on the Edmonton bonds is considerably better than that on Dominion government bonds at current prices, and we believe that there is a good possibility of an increase in the value of these bonds if held for a few years.

The St. Maurice Valley Corporation and Brompton Pulp and Paper, are earning their bond interest several times. The U. S. of Brazil bonds should increase in price in the event of Brazilian exchange improving.

Fraser, Dingman & Co., Toronto.—As we assume this company has already a substantial reserve invested in short date Dominion government bonds, we should think this further amount might well be invested in some of the best Canadian public utility bonds and perhaps in two or three of the thoroughly seasoned, listed preferred stocks. This could be done in such a way as to give an average yield of probably more than 6 per cent. The preferred stocks, of course, might be somewhat less quickly marketable than the bonds and thus would be less desirable for a strictly administered business reserve.

Gairdner & Co., Toronto.—We take pleasure in offering the following securities:

$10,000 St. Lawrence Paper Mills 6

(Continued on page 22)

"The speculators are those who use brains as well as ink in writing the order slips for their brokers. The road to success in speculation is the study of values. Essentially the determination of values in securities is a matter of comparison, just as it is in any other field."

—Barron's, Oct. 11, 1926.

Our organization is adequately equipped to supply you with that information which will enable you to draw a proper comparison between security values.

Use this information which we have. You can have it by writing and asking for data on the securities in which you are interested.

Write us today.

Cochran, Hay & Co., Limited
TORONTO
Dominion Bank Bldg.
KITCHENER 83 King St. West
LONDON Dundas Building
LONDON, E.C. 2, ENG.
Gresham House-Old Broad St.

Investment Securities

Which Do You Need Most:

Security?
High Income Return?
Marketability?
Speculative Possibilities?

It is not economy to buy what you have no use for.

Consult us freely

R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

I HAVE for sale the ability to create and to place effective advertising in all mediums.

Inquiries are invited from principals, those who, having the power to do business, require exceptional work, and are willing to pay a reasonable price for it.

Thornton Purkis

Northern Ontario Building
330 Bay Street, Toronto 2
Telephone: Adelaide 6222

Canadians Thrifty

Investing Heavily in Own Bonds

Canadians are in a comfortable financial position. The aggregate savings deposits in all our banks from coast to coast now amount to $1,343,000,000. This is more than $80,000,000 larger than a year ago, and exceeds all previous records in Canadian history.

Canadians have also been investing in Canadian Government, Municipal and Corporation bonds at the rate of approximately $250,000,000 per annum. It is estimated that interest and dividend payments during October from the past investments amount to over $50,000,000. The problem of satisfactorily investing accumulating and incoming funds is, therefore, a very important one.

To those who would conserve their funds and have them bring in certain and regular incomes, we shall be glad to send a well diversified list of investment suggestions.

Inquiries invited.

A. E. AMES & CO.
LIMITED

Investment Securities

53 KING STREET W. - TORONTO
TRANSPORTATION BLDG., MONTREAL
BELMONT HOUSE, VICTORIA, B. C.
LONDON BLDG., VANCOUVER, B.C.
11 WALL STREET - NEW YORK
GRESHAM HOUSE, OLD BROAD ST. LONDON, E.C.2, ENG.

Business Established 1889

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

Hudson's Bay

Banker: We shall be glad if you will give us your opinion on the common and preferred stock of the Hudson's Bay Co.

Shares of the Hudson's Bay Co. are not listed in Canada but are traded on the London Stock Exchange. Recent quotations are £5¾ for the common shares and £4 15/16 for the 5% preferred. The company as you know has been identified with the development of North America since 1670 and has a wide interest in Western Canada not only through its fur trading stations in the north but commercial interests in the larger cities and towns. In recent years an aggressive policy has been adopted in retail fields and new stores have been erected, or are being built, at Winnipeg, Vancouver, Victoria, Calgary, Saskatoon and other points. Because of its commercial interest as well as its holding of agricultural lands, the future of the company from the standpoint of the value of its shares will depend to a very large extent upon the general prosperity of the country. In recent years there has been a marked improvement in conditions with the liquidation of debts contracted during the wartime agricultural boom and there are indications that the country is now entering on a new era of at least moderate prosperity.

Toronto Suburban Debentures

Subscriber: As an old and appreciative subscriber to your most valuable paper, would like information as to the present standing of the Toronto Suburban Railway Company, as a friend of mine is holding a 4½ per cent. debenture certificate, 1961 maturity, for which he paid 78 in 1923. I am told it is now down around 48. Has the government taken this road over and if so what is the prospect for a holder of said certificates? Would you recommend holding same; or taking the loss, and getting the proceeds to work in some first class securities?

Since you bought these debentures at 78 there has been a distinct change in the sentiment regarding the future of the Toronto Suburban Railway, both in itself and in its relation to the National Railways; the present market is around 45 to 48 with little demand. There were several attractive points about the debentures at that time. There were plans for extending the system through as far as Trenton and the outlook was that it could thus be made to pay at least bond interest. Then the City of Toronto had voted in favor of taking over the system. Later, the city took over only the lines within the city limits and there seems little prospect now that the line outside of the city will enter into the transaction. The plans to extend the line seem to have fallen through. The motor truck and the motor bus are being very extensively employed, and in many respects are supplanting the electric suburban systems.

The position of the debentures has also been weakened by statements which have been made indicating that the government may take the attitude that it is not morally responsible for the obligation and leave the property to the debenture holders. Should this be done, it can be realized that the bonds would have comparatively little value. However, governments are usually loath to do anything so drastic when public opinion might be aroused thereby.

As to holding or selling we hesitate to advise. The market reflects the present opinion of the value of these debentures and whether they will decline further or recover would seem to depend pretty largely on what may occur in the future.

Dominion Steel

Please tell the exact position of the preference shareholders of the Dominion Steel Corporation.

The Dominion Steel Corporation has no funded debt and its entire capitalization consists of preference shares, of which there are $7,000,000 outstanding, and common shares, of which there are $43,000,000, all held by the British Empire Steel Corporation. The Dominion Steel Corporation is a holding company only and owns all the common stock of the Dominion Iron and Steel Company, the Dominion Coal Company, the Cumberland Railway and Coal Company and three other smaller companies.

In addition, the Dominion Steel Corporation guarantees $4,639,000 of the consolidated mortgage bonds of its subsidiary, the Dominion Iron and Steel Company. As you are aware, the Dominion Iron and Steel Company has been unable to meet its bond interest and is now in the receiver's hands. Should the bondholders of the Dominion Iron and Steel foreclose the mortgage which they hold on that property, naturally, the Dominion Steel Corporation would lose all interest in the company and its earnings and would be handicapped by reason of the fact that it guarantees some of the consolidated mortgage bonds of this subsidiary.

On the other hand, the Dominion Steel Corporation still holds the control of the Dominion Coal Company which seems to be probably the most valuable asset of the British Empire Steel Corporation. Thus you will see that the shareholders of the Dominion Steel Corporation are in a rather peculiar position.

The whole situation simply boils down to this: The Dominion Iron and Steel Company is in the hands of the receiver and there seems to be every possibility that the Nova Scotia Steel and Coal Company will also be operated on behalf of the bondholders by a receiver also. It seems to be in the best interests of all the various groups of security holders that the properties now comprising the British Empire Steel Corporation continue to be operated as a unit. Thus, re-organization plans are now being formulated but they will not come into effect until all the various protective committees come into final agreement. This, of course, will take some time.

Eventually, we believe that your holdings will be scaled down materially as the inability of the Dominion Iron and Steel Company to meet its bond interest means that a great portion of your company's assets could be acquired by the holders of the mortgages on the Dominion Iron property.

Probably, though, the Dominion Iron will desire to retain its connection with the coal company and thus, eventually, some compromise will be effected.

EXECUTORS, TRUSTEES, ADMINISTRATORS
Guardians, Transfer Agents, Bond Mortgage Trustees

Savings Department
Real Estate Department

CHARTERED TRUST & Executor Company
46 King St. W., Toronto

Capital: $1,000,000
Reserve: 350,000

Complete Trust Service

covering

Wills and Trusts
Mortgage Loans
Real Estate and Investment
Registrar and Transfer Agents
Safety Deposit Vaults

THE
EASTERN TRUST COMPANY

Head Office—Halifax, N.S.
Saint John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL—138 St. James St.

23

Stocks to Buy

I have an endowment insurance policy falling due on which I will receive some $3,500. I wish to invest this sum and would appreciate your advice about the shares of the Canadian Car and Foundry Company, and the Canadian Industrial Alcohol Company. Possibly you might advise some other stocks also; I should like to obtain around 6 per cent., with the prospect of some market appreciation.

In picking the shares of the Canadian Car and Foundry and the Canadian Industrial Alcohol Company, you have picked two securities which have speculative attractions, although we would suggest that you should carefully consider whether the funds from your policy should not be invested in something more stable than industrial stocks.

The Canadian Car and Foundry Company has always maintained itself in a strong liquid position. Its earnings, however, depend upon the orders for new equipment which the railways place with the company. Thus, its earnings vary considerably from year to year. For a long time, investors have been anticipating improved business for the company, and this will, no doubt, come some time. In the meantime, the company's business during the present year, which ends September 30, shows an improvement over last year, and many view the prospects for the company during 1927 with optimism. Remember that, in purchasing this preferred stock, you are buying a speculative issue, but, on the other hand, earnings during this year have improved, and we look for an even greater improvement in 1927. The preferred stock looks attractive to us.

The Canadian Industrial Alcohol, we believe, will show a nice increase in profits for the year ending September 30 next. All the current gossip indicates that the dividend of this company may be increased in the near future. However, this is only gossip—but it seems to be pretty generally accepted.

In addition to making industrial alcohol, this company also manufactures and sells liquor. No doubt, with the temperance legislation in force in the United States, a certain proportion of all liquor manufactured in Canada eventually finds its way across the border; of course, reputable companies, such as the Canadian Industrial Alcohol, have no interest whatever in such trade but, nevertheless, it seems reasonable to presume that eventually some of its output must be consumed in the United States. Thus, if the continual drift of liquor across the 49th parallel of latitude and across the Great Lakes should ever cease, it would, no doubt, have its effect on the earnings of all Canadian distillers, and probably the Canadian Industrial Alcohol as well. It is these assumptions which appear to make the stock more speculative than perhaps it is in reality.

In the meantime, we believe that the outlook for the future is bright, and the company operates under an excellent management. The company has never indicated what per cent. of its revenues come from the manufacture of industrial alcohol and what per cent. from the manufacture and sale of liquor.

If you wish to obtain a fair return on your investment, what about the preferred shares of the Belgo-Canadian Paper Company, which yield over 7 per cent. at present prices? This company is a subsidiary of the St. Maurice Valley Corporation, and its preferred shares look very attractive to us. The parent company holds all, or practically all, the common stock. Another paper stock is Abitibi preferred which yields over 6 per cent. at present market prices. Of course, in purchasing preferred shares, there is but little speculative attraction to such securities, and many feel that preferred shares are neither fish nor fowl and prefer to purchase either bonds, which are backed by a mortgage, or common stock, which presents more speculative lure. However, these preferred stocks have many attractive points, nevertheless.

The common stock of the Canadian Salt Company, yielding 6.38 per cent., is attractive, for this company has a long record of success behind it, coupled with increasing earnings.

While there have been many pessimistic forecasts about the Canadian milling industry, yet we believe that there will always be a milling industry in this country. At some times it will be more successful than others, but the stronger companies, it seems to us, must, over a period, prosper. The strongest milling company, the Ogilvie Flour, does not yield 6 per cent. on its preferred or its common, but the Lake of the Woods common yields 7.31 per cent. at present prices. This high yield is due to the fact that some time ago there was talk of a possible dividend reduction. Should you buy in the milling group, you should do so with your eyes open to the fact that many of the Canadian millers' foreign markets have been cut off and the industry as a whole is passing through a less prosperous period. However, it is an industry indigenous to this country and, as such, is well worth your consideration.

There are two other preferred shares of public utility companies which at present prices appear attractive to us. The Jamaica Public Service preferred yields over 7 per cent., while Winnipeg Electric yields the investor just under 7 per cent.

The common stock of Ottawa Traction, yielding 7.57 per cent., might interest you also.

The preferred shares of the Woods Manufacturing yield 7.97 per cent.—an attractive yield for a company which, we understand, is gradually increasing its earnings.

What about some common stock of the Canadian Pacific Railway? It yields around 6 per cent. at present prices and looks good for a long hold to us.

POST-Scripts

A GREAT deal of intelligence is now being used by the life insurance companies in putting the insurance arguments before the prospects in simple, convincing terms. It would be difficult to imagine anything more direct and free from financial technicalities than the following proposition:

> We will insure your life for 10 cents a day. If you die during the day, we will give you $1,000, and if you live, we will give you back your dime. That is our Endowment at 65 contract. Isn't your life worth 10 cents a day?

It is, we believe. Any man's life is, if he is treating it with a reasonable amount of respect.

LONG before the hour for the closing of the Vancouver polls in the last federal election, newsboys on the streets were shouting the results of the earlier returns from the Maritime provinces. Late Vancouver voters on their way to the polls to cast their votes were being informed that "the Conservatives were sweeping the Maritimes," etc.

The question has been raised in Vancouver as to whether it is fair or right that there should be information available as to how the vote is going in Eastern Canada before the last voters in Western Canada have marked their ballots. It is admitted that it would not perhaps be convenient to have all parts of such a big country working on the same actual voting time, but it is suggested that something might be done to set normal hours for the central provinces and have the Maritimes and British Columbia adopt the schedule of one hour earlier and one hour later as the case may be.

A Woman's $50,000

A lady client has asked us to give her an opinion on her investments and to suggest any changes from a security standpoint. She has lately gotten into a position of responsibility, in which security for her funds has become a most important matter.

We shall highly regard any information and advice which you could give us regarding this list.

Here is her schedule of holdings:

Victory bonds, 1933, 5½ per cent., $8,000; 1934, 5½ per cent., $2,100.
Union Pacific, 50 shares, common.
Canadian Pacific, 50 shares, common.
British American Oil, 60 shares, common.
North Star Oil, 400 shares, preference stock.
B. C. Electric, 5 shares, 6 per cent. preferred.
Steel of Canada, 10 shares, 7 per cent. preferred.
Maple Leaf Milling, first mortgage, 6½ per cent.; bonds due 1932, $3,000.
Abitibi Power, general mortgage, 6 per cent., on bonds; due, 1940.
United States of Brazil (Central Railway Electrification loan 1922) 30 years, 7 per cent. bonds, $5,000.
Riordon Company, 8 per cent. preference shares, 25 shares.
Riordon Company, 10 shares.
Mackay Company, 25 shares, common.

For a woman investor, requiring security chiefly, there should be a much higher proportion of government and muncipal bonds than are contained in this list. These investments have a market value of between $45,000 and $50,000. At least half of this amount should be in the very highest type of security. We would think that it would be advisable to work towards this end, gradually eliminating everything but government and municipal bonds and the best corporation bonds from the list.

It is, on the whole, a very excellent list of investments and it is not easy to make suggestions as to where the elimination process should begin. Perhaps, the two oil stocks would be the best place to make a start and as both issues are selling at a good price the funds could be transferred from British American Oil and North Star Oil into good municipal bonds without loss of revenue.

The Brazilian bond might be sold, since foreign bonds, with all their attractions, are hardly suitable for what is virtually a trustee investment for a woman.

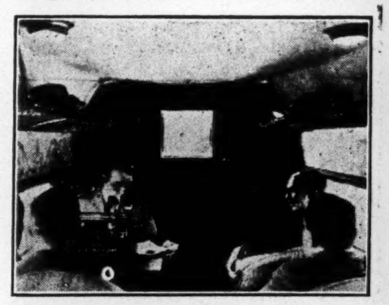
B. C. Electric, preferred; Steel of Canada, preferred; Maple Leaf bonds and Abitibi bonds have much fundamental strength and might for a while continue to form part of the marginal investments over the $25,000 bulwark of municipal bonds Mackay Company stock is decidedly in the investment class. Union Pacific and Canadian Pacific are close to it but we would like to see the proceeds from them invested in something a little more gilt edged.

The Riordon stocks are without value, the entire assets having been distributed among the bondholders at the time the company was attached to the International Paper Company.

FOLKS and Finance

NOT content with having the utmost in modern transportation facilities at his command, R. W. Judson, president of Continental Motors Company, has equipped his personal airplane with the modern office equipment desgned to assist him in disposing of important matters while "in the air" from place to place.

When the scenery from his cabin window becomes boresome or executive matters take his time and thoughts, Mr. Judson has but to turn to his Dictaphone and dictate to the world below what he wishes to say. When he arrives at his destination, the cylinders are quickly transcribed and sent on their way.



Faced with the necessity of conserving weight and space in the interior of the plant, Mr. Judson found that to take a secretary with him on his trips would add a load of 150 pounds and an extra chair and cabin space for one person. With the Dictaphone he saves not only the additional weight and space but the time of the secretary who can be left behind to attend to other executive matters.

The Dictaphone, equipped with a universal motor, is operated on the electric current generated by the plane's motors.

AFTER seven years work abroad as financial director of the League of Nations, Sir Herbert Ames has returned to Canada on the completion of his special task. When he entered the service of the League in September, 1919, practically nothing had been done by way of financial organization. It was necessary to build up a system of budgets, of allocations, of expense control from the beginning, all with no precedents or no models on which it could be based. When, in August, 1926, Sir Herbert resigned his post, the League possessed a fully-developed financial system, approved and accepted by 56 nations, under which ample revenues are annually raised and expenditure supervised.

The League to-day possesses assets exceeding $6,000,000 of value, more than half of which is in cash on deposit with the League's bankers. This surplus, representing the economies of seven years, makes it possible for the League to erect, on the shores of Lake Geneva, a home for itself adequate for its needs and in keeping with its purpose. To-day the foremost architects of 50 nations are preparing plans for the competition to be held anent this new building. In this connection, Sir Herbert expressed a hope that Canadian architects would enter for the competition.

Sir Herbert found the last seven years most interesting, as Geneva has become a sort of watch tower from which international problems may be viewed. Thither go the leading statesmen of every civilized land. An atmosphere of good-fellowship and "the will to agree" everywhere prevails. He regrets leaving the work, but feels that his task is accomplished.

Diversified Investments for November Funds

Our November List summarizes in concise form the essential information on well diversified groups of government, public utility and industrial bonds and preferred stocks.

The requirements of any investment can be met from this list and it will be helpful to you whether you are an investor of long experience or an investor contemplating a first purchase.

Income returns range from about 4½ to about 7½%.

Write or telephone for Investment List No. 4

Greenshields & Co

Members Montreal Stock Exchange

17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street

65

Other People's Views

Is Business Bad?

Maritime Merchant, Halifax: The president of Belding-Corticelli denounces modern luxury and extravagance as the cancer that is gnawing at the vitals of civilization. Further, he denounces advertising because it contributes to this luxury and extravagance by stimulating people to want many things that they could well enough get on without. We are afraid that he generalizes too much. It is true that the Roman Empire fell because its leading people indulged too much in gross pleasures. There is, dear knows, enough of gross pleasure nowadays, but there is a saving element in the world's population for all that. Who will say that the progress of society has been halted or is going backward? There was never a time when such wonderful advances were being made. As for advertising, it is aiding progress by stimulating the business of making the benefits of scientific advance available to the public. Advertising indisputably promotes business. Is business a bad thing?

British Empire Preferences

St. Catharines Standard.—Rt. Hon. Arthur Meighen was frequently attacked by his opponents, who charged him with a desire to destroy the British preference. As a matter of fact, Mr. Meighen had no such intention. He merely held that "there should be give and take," as Sir John had urged over 40 years ago. That was sound doctrine then, and it is to-day. We have no right to permit conditions of unemployment among our own workmen to favor workmen in Britain.

Give products from the Dominion an advantage in the British market and the Dominions will respond with a preference for British-made goods. In that way the Empire will be commercially, as well as sentimentally, closely linked together, and the matter of Empire defence and defence of the trade routes will take care of itself in times of emergency.

November Bond List

This List describes a broad selection of Canadian Government, Municipal and well secured Corporation Bonds, with interest returns ranging from 4.75% to 6.50%. It also includes a number of Odd Amount Bonds which are offered at particularly attractive prices.

Copy will be gladly furnished upon request.

Write to
36 King Street West,
Toronto, or
Telephone Elgin 4321

Wood, Gundy & Co.
Limited

GLASS of all descriptions

All kinds of flat glass available

For immediate delivery and in large quantities.

Case goods, fancy glass, wire inlaid, leaded, plain, striped or prismatic, colored, church glass, etc.

Also sole manufacturers

NON-SHATTERABLE PERFECT VISION BULLET PROOF GLASS

PERFECTION GLASS COMPANY
201 Inspector St. LIMITED MONTREAL

News of Investment Markets

BOND BUSINESS HAS DEVELOPED IN BRIEF PERIOD

E. G. Long, K.C., Tells Students How Investment Banking Grows

Toronto University is training bond men this year. The tendency of the investment banking houses to recruit many of their junior men from the universities is being recognized by the department of business administration at the University of Toronto and a series of lectures is being given to the students on various aspects of the bond business in Canada. The course is under the direction of Prof. Gilbert E. Jackson.

The first lecture in the course was given by E. G. Long K.C., the well-known Toronto lawyer, who has become almost the outstanding author [illegible] the legal phases of municipal and other financing. He outlined the development of the bond market in Canada, tracing investment banking from its comparatively recent beginnings, through the pre-war expansion, the war era and the post-war era, when the greatest advance has been made in developing investment banking as an important Canadian business.

Is Twenty-five Years Old

Investment banking in Canada is not over a quarter of a century old, Mr. Long declared. He labelled as Canada's first investment banker, John E. B Smith, who had bought securities for the funds of the University of Toronto and had gone from that work into the sale of securities. This was about 1900. One of the largest investment banking houses in Canada was now celebrating its 21st birthday, evidence of the youth of the business in Canada.

Twenty-five years ago, if someone wanted funds for a municipality, a railway or a corporation—a visit was paid to London, where conferences with British banking houses of ancient lineage produced the needed millions. The actual banking details of the business were handled through the London branch of some Canadian banks. In time, Canadian banking houses established branches in Britain. Canada looked to home and American markets for capital to only a small extent during the war. The war threw us on our own resources and opened our eyes to the reservoirs of capital at home, while recent years have seen New York rise as our dominant source of capital.

But Canadian investment houses have become strong and powerful and are now thoroughly organized to create, underwrite and distribute securities.

Sale of Foreign Issues

Mr. Long commented. in passing, upon the sale of foreign securities in Canada. Canadians had bought upwards of $100,000,000 of foreign securities in the past few years and were now interested in almost every country on the face of the globe [illegible]ians estimated that Canada [illegible] sent as much money abroad in the past few years as it had gotten abroad. This was due to the demand of investors for higher yields. Some people deprecated the sending of capital abroad when we needed so much at home. Undoubtedly it was probable that, within reasonable limits, Canadian investors were not going very far astray in taking on a few foreign issues for the sake of diversification of their holdings, and they were assured of an active market for the foreign issues they bought through recognized houses.

"Over-the-Counter" Condemned

Comment was made by Mr. Long upon the practice that developed some time ago, but which had declined in importance, of selling municipal bonds over the counter to local investors.

It was found that there was not much advantage to be gained or saving to be made in selling securities outside of the established investment banking channels, and it had been found that municipalities had sold less satisfactory securities in this way, when the issues were not subjected to the careful scrutiny of investment bankers. Mr. Long said that he could not understand the peculiar mentality of municipal officials, who were ready to sell to their friends, municipal bonds at prices over the market or to sell them securities that were not good enough to be sold outside. Such issues had often been left on the hands of the city municipalities concerned, sometimes because they were not properly drawn up. "You can not sell anything if it is not done up in the proper package, whether it be butter and eggs or bonds," said Mr. Long.

More Lectures to Come

Other lectures scheduled for the series are as follows:

Thursday, October 26, C. E. Abbs—"Organization of the Modern Bond House."

Thursday, November 4, J. W. Mitchell—"Government Financing."

Thursday, November 11, A. W. Scripture—"Municipal Financing."

Thursday, November 18, Arthur Walwyn—"Corporation Financing."

Thursday, November 25, R. A. Daly—"Responsibilities of an Investment House."

Thursday, December 2—"Investment Banking as a Field of Employment for University Graduates."

Prospects for the paper industry in New Brunswick are brightening visibly. Fraser Company are erecting a large warehouse at Edmunston to take care of their output of paper, and the Great Northern Paper Company machine shop at Granville is running a full crew, with a likelihood, if present demand keeps up, of having to put on a night crew. The Fraser Company has now 480 men at work.

Bits About Bonds

"Canadians are nationally, and for the most part individually, in a comfortable financial position. From the national standpoint, the aggregate savings deposits in all our banks from coast to coast now amount to $1,343,000,000. This is more than $80,000,000 larger than a year ago, and exceeds all previous records in Canadian history," say A. E. Ames & Co.

"In addition to accumulating savings in this way, Canadians have been investing in Canadian government, municipal and corporation bonds at the rate of approximately $250,000,000 per annum, which was the total for 1925. That investments already made bring in substantial revenues is evidenced by the interest and dividend payments made during the early part of October. It is estimated that interest and dividend payments during October will amount to something over $50,000,000. The huge totals indicate that Canadians as a whole must be regarded as thrifty. The increasing of savings in this way and the receipt of this income from investments makes the problem of satisfactorily investing accumulating and incoming funds a very important one.

"For those who would conserve their funds and have them bring in certain and regular incomes, there are no securities which will be found as satisfactory for the purpose as Canadian government, municipal and well-selected corporation securities."

* * *

"The success of the Republic of Chile loan in the Canadian market, and the new Belgian loan, call attention once more to the extent of Canada's interest in foreign financing," say McLeod, Young, Weir & Co., in their weekly bond letter.

"There is, of course, no means of determining accurately the total amount of foreign securities held in Canada. An estimate of the probable holdings of Canadian private investors, based upon the known holdings of Canadian financial institutions, would indicate that the aggregate of Canada's holdings of foreign government, municipal and corporation securities cannot be far short of $125,000,000 and may easily exceed that amount."

* * *

Belief seems to be prevalent among the holders of Canadian Northern 5 per cent. income bonds that the attitude of Hon. J. A. Robb as set forth on Oct. 12th does not mean a final repudiation of the tentative agreement with the Canadian National Railways, although that is what the more excitable British financial editors are calling it. The bonds rallied this week after dropping about 10 points from a previous high of 74. Hon. James A. Robb, minister of finance, announced that the present government would not authorize the reported offer of the National Railways to exchange the old bonds for a new 40-year guaranteed security. The government and the approval of the ministers concerned would be necessary according to Mr. Robb. British newspapers comment very strongly upon this new development in the situation, and in concluding that political influences are at work to nullify the previous offer, they deplore the situation as one which will have a damaging effect upon Canada's credit.

Quinte and Trent One of Few Private Plants

One of the few power developments under private control in Ontario is represented in the Quinte and Trent Valley Power Co., now making an issue of preferred shares. There are outstanding first mortgage bonds to the amount of $400,000.

Johnston and Ward, Montreal, are making an offering, at 99 and accrued dividend, of $325,000, seven per cent. cumulative preference shares.

The Quinte and Trent Valley Power Co. operates hydro-electric power plants at Campbellford and Frankford in the Trent River Valley, Ont., with a present installed capacity of 4,000 horsepower and an ultimate installation of 6,000 horsepower. Practically the whole of the present output of power is being disposed of under long term contracts to various industrial users, including the Canadian Paperboard Co. and the Frankford Electric Light Co., at prices which will pay all operating costs, etc., and provide for preferred stock dividends nearly twice over.

$325,000

Quinte & Trent Valley Power Company

7% Cumulative preference shares.

Capitalization	Authorized	Issued
30 yr. 1st mtge. bonds 6%	$1,000,000	$400,000
7% pfd. stock	500,000	325,000
	shares	shares
Com. stock, no par value	10,000	5,000

Business and property—Owns hydro plants at Frankford and Campbellford, Ont. Present capacity 4,000 h.p. Further 2,000 h.p. ultimately to be installed.

Earnings—Estimated for year to June 30, 1927 at $75,000 gross and $36,000 available for preferred.

Assets—Total appraised value of properties, $1,011,957.

Offered—October, 1926, by Johnston & Ward, 171 St. James Street, Montreal, at 99 to yield over 7 per cent.

New Westminster Paper Company Bonds Offered

The New Westminster Paper Company, Limited, in order to meet the cost of extensions to its plant, and part of the outlay for another mill at Bellingham, is raising $175,000 by a bond issue.

The issue is of first mortgage 6½ per cent. serial gold bonds, dated October 1, 1926, of which $10,000 is due each year on October 1, 1928, to 1936. Eighty-five thousand is due on October 1, 1937.

The issue is being handled by the Lumbermen's Trust Company at Portland, and the Royal Financial Corporation at Vancouver, the Canadian house offering the block of $85,000 due in October 1, 1937. Price will be at 99 to yield about 6.60 per cent.

The New Westminster Paper Mills for some time past have had demands far in excess of production capacity. Work is to be started soon on the extension of the plan and the company is also building another mill at Bellingham, to be known as the Pacific Coast Paper Mill, which will be operated as a subsidiary of the Westminster company.

Offer $150,000 of Bonds National Milk Products

Recent formation of National Milk Products Co., to conduct a wholesale dairy business at Gananoque, Ont., is now followed by an issue of $150,000 of bonds. These are being offered by J. A. G. Clarke & Co., of Toronto.

The plant will have a capacity of 1,000,000 pounds of butter yearly, together with sweet cream and powdered milk from a new plant to be built.

This plant is due to be put into operation by the end of the year.

$150,000

National Mills Products Company—

6½% first mortgage, 20 year sinking fund gold bonds.

Dated Sept. 15, 1926 Due Sept. 15, 1946

Capitalization—

	Authorized	Outstanding
6½% first mortgage bonds	Closed	$150,000
7% first mortgage stock	$500,000	150,000
Common stock, no par value	20,000 shs.	10,500 shs.

Company—National Milk Products Company, was incorporated to conduct a general wholesale dairy business with particular attention to the production of milk powder, sweet cream and butter. Plant is at Gananoque, Ontario. It is modern and up-to-date in every way, and with the completion of the new unit, for which a contract has already been let, will be thoroughly equipped and efficient.

Assets—Assets, including land, building, equipment, etc., before proposed financing, given as $201,000, and after completion of proposed financing and the installation of new machinery over $300,000.

Earnings—On the basis of 50,000 pounds of raw milk per day, which is the minimum guaranteed capacity of the new milk powder plant, net earnings, are estimated at $92,608.

Offered—October, 1926, by J. G. Clarke & Co., 330 Bay Street, Toronto. Price 99, yielding 6.60%.

NO BONDS SHOULD BE PURCHASED BLINDLY

Character of Issuing House and Security for Individual Issue Need Close Scrutiny

Good advice to purchasers and holders of real estate bonds—in fact of all bonds—is given by the Magazine of Wall Street, which says: "It is pertinent to state that investors holding this type of security should not be led into disposing of them at possibly a great sacrifice merely because one firm, though important, has failed.

"In examining the possibilities, however, it is essential to understand the basis on which these securities are sold. When a mortgage firm issues a bond, the latter represents the assets and earnings of a particular building not the assets of the issuing firm. The intrinsic value of the security therefore will depend on how fully it is protected by the actual value of the property on which it is a mortgage. Since conditions vary in different localities and since the actual value of the mortgaged property in relation to the bond will vary, it follows that individual mortgages of this type will be of varying degrees of strength. It is for this reason that a real estate mortgage firm may offer some securities which are essentially strong and others which may be less so. This refers specifically to the non-guaranteed type of bond.

"In order for the investor to have a clear understanding as to the degree of risk he is assuming in the purchase of such issues, he must therefore take pains to inquire into the actual facts concerning the particular piece of property of which the bond which he is offered represents a part mortgage. It may be that the particular bond he is holding is fully protected by the property on which it is a mortgage, but this should be ascertained.

"So far as the real estate mortgage field itself is concerned, there is no reason to question its soundness from the investment viewpoint. However, a slump in building values, reduction of rents, or any other pertinent factor, could injure in some cases the worth of the bond. But in this respect, it hardly differs from any other type of investment, all of which are affected at times by various factors.

"The investor in this field as any other must be careful to discriminate not only as to the character of the house issuing the bond but should take special pains to study the bond offered him as a straight business proposition, based on information as to the particular building which has been mortgaged. If satisfied as to its real and potential earning power, he may conclude that he would be warranted in considering an investment therein; if not, he should leave it alone. To purchase blindly is not to invest at all but to gamble on what is likely to be a poor risk."

Four Houses Offering London Hotel Issue

Royal Securities Corporation have been joined by R. A. Daly & Co., Midland Securities, and Matthews & Co., in their offering. The object of the financing is to provide a portion of the cost of the new hotel which is to be immediately erected at the corner of Dundas and Wellington Sts., London, Ont. The new hotel will be an eight-storey modern fireproof structure, containing approximately 204 rooms, each with bath, with stores on the ground floor and other rentable areas.

$750,000

London Realty Company

6½%, 15 yr. first mortgage sinking fund gold bonds.

Dated Octo. 1, 1926. Due Oct. 1, 1941

Property—Eight story hotel erected in London, Ont.

Assets—Value of the land, building, equipment and furnishings, upon completion, has been independently estimated at $1,452,150.

Earnings—Estimated at $173,500 available for bond interest, etc.

Capitalization—	Auth.	Issued
6½% first mortgage bonds.	$750,000	$750,000
6½% gen. mortgage bonds, due 1934	150,000	125,000
7% preferred shares.......	400,000	300,000
Common shares	400,000	300,000

Offered—October, 1926, by Royal Securities Corporation, R. A. Daly & Co., Midland Securities, and Matthews & Co.

The Seal of Security

THE experience of over a century of judging investment values, coupled with the sound advice of clear-visioned men of affairs, stamps the investments offered by this Company with a "Seal of Security" that is very real.

The National City Company
Limited
Head Office: St. James and St. Peter Streets, Montreal
10 King Street East TORONTO 204 Blackburn Bldg. OTTAWA 71 St. Peter Street QUEBEC

Advisory Board
Sir Charles B. Gordon, G.B.E., Chairman Sir John Aird A. J. Brown, K.C.
Hon. Sir Lomer Gouin, K.C.M.G. Charles R. Hosmer Wilmot L. Matthews
F. E. Meredith, K.C. Fred W Molson Lt.-Col. Herbert Molson, C.M.G., M.C.
Edson L. Pease W. N. Tilley, K.C. Hon. J. M Wilson
'64

Calgary, Alberta
Stocks, Bonds, Grain & Oil Leases
Carlile & Farr Ltd.
Private wire to all markets.
Correspondents of Logan & Bryan.

Reputation
The reputation of the underwriters is often the finest possible insurance of the safety of the investors' principal and the payment of his interest when due.
F. H. Deacon & Co.
227 Bay St., - Toronto

McDonagh Somers & Co.
Government and Municipal Bonds
Dominion Bank Building
TORONTO
Canada

K. H. Kompfe & Co.
Investments
330 Bay St. Toronto Adelaide 3331
Dom. Savings Bldg., London Telephone 8077

GOVERNMENT and MUNICIPAL BONDS
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO

6½% With Safety
Republic of Chile
6% Bonds Due 1960
$500 and $1,000 each
PRICE 93½
to yield 6½%
The bonds are safe and should advance in price. Send for particulars.
H. B. ROBINSON & Co. Limited
Investment Bankers
53 King St. West TORONTO ELGIN 1224
136 St. James Street MONTREAL MAIN 8542

Foreign Securities
Department of Antioquia, S.A.
Argentine Government, S.A.
Republic of Chile, S.A.
Leipzig Overland Power (Germany)
To yield 6.10% to 7.71%
Full particulars on request
MATTHEWS & COMPANY
LIMITED
Bond Dealers
255 Bay St., Toronto

MURRAY & COMPANY
Specializing in
Government, Municipal and Corporation Bonds
METROPOLITAN BLDG.
ADELAIDE 6077-78 TORONTO

THE SAFEST FORM OF INVESTMENT
WITH 5½% The National Debenture Corporation, Ltd., offers you an absolutely safe and profitable investment secured 105% by Trustee Securities under the laws of the Province of Ontario.
Consult your local dealer and Write us for particulars.
G·A·STIMSON & Co.
LIMITED EST. 1883
The Oldest Bond House in Canada
300 BAY ST. TORONTO

FOUNDED 1883
BONDS for SAFE INVESTMENT
GOVERNMENT, Municipal Public Utility and Industrial Bonds.
Selected with careful regard to safety, dependable income and marketability.
Write for List.
HANSON BROS.
Investment Securities
160 St. James St. Montreal
330 Bay St. Toronto
63 Sparks St., Ottawa

Roberts-Cameron & COMPANY, LTD.
Government and Municipal Bonds Listed Stocks
Northern Ontario Bldg.
AD.3486-7-8 TORONTO

HAMILTON, WARNER & Co.
BONDS Government Municipal Corporation
Transportation Bldg. MONTREAL

CLARKSON, GORDON & DILWORTH
CHARTERED ACCOUNTANTS
E. R. C. CLARKSON & SONS
Authorized Trustees and Receivers
15 WELLINGTON STREET WEST TORONTO
TORONTO MONTREAL

Lougheed & Taylor, Limited
Calgary, Canada
Bond, Insurance, Estates, Farm Lands, Appraisals
We are well informed on the oil situation.

We are in the market at all times for
British Columbia Municipal Bonds
British Columbia Bond Corporation, Limited
H. E. Boorman, Managing Director
VANCOUVER, B. C. VICTORIA, B. C. NANAIMO, B. C.

Municipal Bankers
BOND AND SALES CORPORATION, LIMITED
Dealers in
Canadian Government, Municipal and "Dollar for Dollar" Bonds
CORRESPONDENCE INVITED
34 KING ST. EAST, TORONTO
Sir John Willison, Kt. LLD. President
Sir William Hearst, K.C.M.G. Vice-President

7% Well Secured

The land, buildings and all other assets of the

"St. George" Apartments

are held as security for

7% First (Closed) Mortgage 20-year Sinking Fund Gold Bonds

Due: February, 1946

Centrally situated in a fashionable district, the St. George Apartments will yield net revenue amounting to twice the bond interest requirements.

Price: 100 and accrued Interest.

Write for complete details.

Gairdner & Co.
Limited
312 Bay Street, Toronto 2, Ont.

WILLIAMS, PARTRIDGE & HODGSON LIMITED
Investment Bankers
171 St. James St. MONTREAL

We recommend

PUBLIC UTILITY BONDS

Send for our Selected List

Browne, Urquhart & Co.
Limited,
180 St. James St. Montreal
Tel. Main 8011*.

7% *and* BONUS *of* COMMON STOCK

Earnings

Net earnings of this company are estimated at nearly five times the interest charges, leaving a substantial surplus available for dividends on the common stock.

Canada-West India Products Corporation
Limited
7% Five-Year Collateral Gold BONDS

Price 100 and interest, carrying a bonus of 10 shares of common stock with each $100 par value of bonds.

Circular giving full particulars on request

Kindly send me full particulars about the above issue.

*Name*________________
*Address*________________
____

ESTABLISHED 1910
CREDIT-CANADA
Limitée
Investment Bankers
120 St. James St., Montreal
MAIN 4191*

F. H. Blakely. C. E. Bowden
F. H. BLAKELY & CO.
Corporation Bond Issues
Originated—Under-written
NORTHERN ONTARIO BLDG., TORONTO
Telephone Ad. 0669.

Twin City Profits Higher

For the third quarter of this year the net income of the Twin City Rapid Transit Company is shown at $178,639, as compared with $56,387 in the corresponding quarter of 1925. After deduction for preferred dividends, this was equal to 57 cents per share on the company's common stock, compared with 1.7 cents in the same quarter last year.

For the nine months of the fiscal year, net income is shown at $901,085, compared with $714,610 in the same period of 1925. After deduction of preferred dividends, this was equal to $3.37 per share on the common, as compared with $2.52 in the same period of last

Lacey Men on Move

James D. Lacey, president of James D. Lacey & Co., (Canada), was in Montreal recently en route to Chicago.

F. T. Jenkins, managing director of James D. Lacey & Co., (Canada), returned to Montreal on October 19. Mr. Jenkins had been engaged on a large aerial forest reconnaissance project in Manitoba and was forced to discontinue flying operations because of approaching freeze-up.

Municipal and Provincial Finance

MUNICIPAL TAXES TAKE $215,000,000 BUT CAN BE CUT

Dr. Brittain Urges Civic Efficiency in Board of Trade Address

"The municipal debt of Canada in 1925 was $1,100,000,000, $119 for every person in Canada and $595 for every family of five. The total municipal taxation of Canada in 1924 was $215,500,000, $23.36 for every person or $116.80 for every average family of five."—Dr. Horace L. Brittain.

DR. HORACE L. BRITTAIN,
Director, Citizens' Research Institute of Canada, before Canadian Board of Trade.

While provincial and national taxation have definite effects on business and industry over the wide areas affected, the effects of municipal taxation in handicapping one municipality as a home for business and industry in comparison with another municipality are very direct and may have very serious local consequences.

A discussion of municipal taxation naturally falls under two heads:

(a) The amount of taxation.

(b) The sorts of taxation in use.

The former topic has been too frequently ignored and interest centered on the latter. I believe this to be a great mistake as the weight of taxation is certainly as important as its incidence. In fact its weight can be readily ascertained but the incidence is a very complicated matter. It may even be said that the apparent incidence of a tax is very frequently not its real incidence. Often the man who actually hands in the cheque to the city treasurer bears only part of the burden or even none at all. Many taxpayers are really only convenient tax collectors for the city.

Wrong to Assume Uncontrollable

The failure to pay proper attention to the amount of taxation is due to two main factors:

(a) A tacit assumption that taxation is unavoidable and cannot be reduced.

(b) A feeling on the part of many that their taxes are too large and that the other fellow should be made to bear a larger share.

A belief that because taxes are unavoidable nothing can be done to relieve the situation is not based on facts.

One way in which many municipalities can cut down their tax bills is to enforce proper collections for services for which direct charges may be made. For example, many municipalities either own hospitals or pay the deficits of public hospitals not under direct municipal control. Particularly in the out-patient departments many hospitals which used to give all treatments and even all medicines free to out-patients are now making charges where the patients can pay. This is not only good for the hospital but good for the character of the patients. Many hospitals have also employed a social investigator to determine the ability to pay of those applying for free beds. It is almost amazing what can be done in this line. Any revenues so collected diminish hospital deficits and therefore decrease the amount to be raised by public taxation. Adequate fees for overhanging signs, encroachments on sidewalks, are often given insufficient consideration.

There are other fields in which similar principles may be applied if there is a sincere desire and determined purpose to do justice both by the taxpayer and the user of services.

Reducing Cost of Service

Having augmented the revenues other than taxation if possible and as far as possible, there still remains much that can be done.

Taxes are made necessary by the cost of municipal service and anything which may be done to reduce the cost of such service immediately effects a reduction in taxation, in which case the first question to ask is, are there any services rendered by the city which should not be so rendered? If there are, these should be immediately eliminated. It may be that the services may be unnecessary, in which case abolition is the remedy. It may be that they should be rendered by some other authority organization, in which case they should be turned over to the proper authority. Frequently services desirable in themselves are not justifiable under existing financial conditions. The private individual frequently finds that he must go without things he would like to have but does not actually need. Municipalities in the present juncture should ask themselves if all their services are based on needs or only on wants and desires. There is a continual urge on practically all municipalities to undertake new services. Sometimes these urgings come from small but noisy minorities and are taken by the people's representatives as the voice of the people. Such proposals, until Canada gets out of the woods, should be carefully examined and there should be a minute scrutiny of all services actually in existence to learn if some of them could not be at least temporarily suspended or reduced in scope without affecting the welfare of the people and their productive capacity.

Labor Costs Big Item

After ascertaining the necessity for existing services, inquiry should be made whether the cost of those services which it is found necessary to retain are produced at the least possible cost. For example, from 35 per cent. to 50 per cent. of all civic expenditures goes to salaries and wages. Every city should ask itself whether the annual budget provides adequate financial control of the personnel and payroll of all departments. In many cities there are no complete records in available form of the number of civic employees or even of payments for personal service, or if these exist, no effective use of this information is made in budgetary control. How can any municipality really control its salary and wage bill, its most important item of expenditure, if the financial documents for control purposes do not show the itemized facts as to personnel and payments for personal services?

Again, are all employees hired on merit and promoted on merit or are other considerations allowed to influence appointments? Are individual service cards kept for all employees and made the basis of all promotions, transfers, retirements and removals from the service? Is anyone ever promoted or otherwise rewarded for outstanding good work or discharged for poor work? Unless all such questions can be satisfactorily answered, one may be sure that the esprit-de-corps of the service is suffering and that there is waste in personnel and that the tax rate is affected.

Control of Purchasing Urged

Of almost equal importance to the control of personnel is the control of purchasing and contracts. Are all purchases and contracts made on a competitive basis? Does each department or division do its own purchasing individually or is there centralization of price getting or purchasing? Are purchases made and contracts awarded so as to give the greatest service to the taxpayers or so as to distribute the good things among the boys and be of the greatest value for local political purposes? Unless all such questions can be answered satisfactorily, civic services are costing too much and the tax rate is too high.

Again, is the civic organization such as to produce the greatest results for the least money? In the first place, is your city council so large that it degenerates into a debating society or is its membership elected so frequently as to make continuity of policy impossible? Does it confine itself to the decision of policies and seeing these policies carried out or does it interfere in the executive details of carrying out these policies by permanent officials appointed by men responsible to council for results? Are the civic departments practically watertight compartments making full co-operation impossible, each standing on its own dignity and demanding what it regards as its full share of money to expend? Are there too many departments with too high an overhead? Unless these questions can be answered satisfactorily there is inevitably waste and unnecessarily high taxation.

How to Assess Taxes

While taxes may not be in proportion to the direct benefits received, the only basis for levying any taxes is the delivery of benefits. There are three main objects of benefit in taxation:

Property.
Business.
and persons.

All these receive benefits from civic expenditures through services rendered directly to them and therefore all should contribute to local taxes. Up to this point all or almost all agree, but from this on there is little agreement. Should land and buildings be assessed on the same basis? Should real and personal property be taxed at the same rate? Should tangible personal property be taxed in the same way as intangible personal property?

How should the business tax be levied? On the capital value of the premises occupied, on the annual rental values, on the gross turnover or on the net profits? Granted an income tax, should it be levied on business or persons or on both? What should be the amount of exemptions? Should exemptions be the same for all or should there be preferred classes? Should it be levied according to the varying general tax rate or should it be a fixed percentage or should both principles be considered?

Controlling the Uncontrollable

In conclusion, I should like to draw attention to certain phases of so-called uncontrollable expenditures. As a matter of fact all expenditures are controllable at some time, to some extent, by some authority, and because this fact has been obscured by the misuse of the word "uncontrollable" and by the fatalistic attitude it induces, the burdens of municipal taxpayers are larger to-day than they should be. A great part of these uncontrollable expenditures are debt charges on capital expenditures, once controllable but now not controllable. In your city is the budget of capital expenditures as carefully prepared as the annual budget of current expenditures? Are capital expenditures planned five or ten years ahead, or is each proposed improvement involving capital expenditure considered as a detached problem without reference to other commitments actual or possible? Have you a city planning organization with power to prepare a key plan to which the city can work? If not, it follows as sure as fate that the civic debt is too large, the debt charges excessive, and the taxpayers unnecessarily burdened. This does not mean that your debt should not be larger in that necessary improvements have not been made. It means only that the debt is too large for the benefits received.

Electric Power Consumption in Canada at New Peak

Royal Bank statistics show that the electrical energy generated in Canada during July, 1926, the low month of the noromal summer recession, exceeded the amount generated in July, 1925, by 21 per cent.

Canadian power consumption is continuing its phenomenal expansion. Average monthly production is increasing at a rate equivalent to 20 per cent. a year. By this winter, daily production will reach a level of about 33 million kilowatt hours.

Increased production in the United States is taking place at a rate of 12 per cent. a year, and the increase there may be accounted for in a much larger degree by increased population and increase in domestic use. In Canada, the new installations are very largely for industrial purposes, and, when one considers that a large proportion of this sweeping increase is accompanied by a corresponding growth in Canadian power-using factories, one comes to some realization of the rate at which Canadian industry is expanding. Per capita use of power in Canada is already 2.8 times as large as that in the United States, and, at the present rate of development, it will not be long before Canadians will be using three times as much electric power per person as is being used in the United States. In Ontario and Quebec the disproportion is even more marked, and more than four times as much power per capita is generated in this area as in the United States. It is only by means of such comparisons that it is possible to grasp the importance of the growth of this industry and to understand the effect that such large scale use of power will have upon our industrial efficiency.

In August, 1923, out of the 19,356,000 kilowatt hours generated daily in the whole of Canada, 16,022,000 were generated in Ontario and Quebec. Contrasting these figures with the latest, out of 26,644,000 generated in the whole of Canada in August, 1926, 21,348,000 were generated in these two provinces. This month indicates that the growth in use of electric power is not confined to Ontario and Quebec, as the total for these provinces represents about 80 per cent. of the total for the country in both cases; but the greater power sites in Ontario and Quebec have given these provinces such a preponderant advantage that many are inclined to forget the marked expansion in the rest of the country, particularly in British Columbia, and, to an appreciable extent, in Manitoba.

Kilowatt hours generated throughout Canada for Canadian use
(000 Omitted)

Month	1923	1924	1925	1926
Jan.	19,079	21,120	23,198	26,676
February	19,492	21,384	23,160	27,880
March	19,305	20,747	22,452	26,711
April	18,860	21,079	22,482	25,979
May	19,557	20,824	22,297	25,952
June	19,049	19,779	21,470	26,998
July	18,452	19,475	21,470	26,000
August	19,356	19,868	21,485	26,644
September	19,958	20,958	23,992	......
Oct.	20,785	21,209	24,400	......
Nov.	21,273	22,606	25,625	......
Dec.	20,461	23,479	26,573	......

Dodge Brothers' Earnings

Dodge Brothers reports for nine months ended September 30, 1926, consolidated net income of $17,979,784 after depreciation, interest and federal taxes, equivalent after preferred dividend requirements to $5.58 a share earned on outstanding 2,434,563 shares of Combined Class A and Class B common stocks.

Consolidated net income for third quarter of 1926 totaled $5,613,058 after above charges, equal to $1.70 a share on combined common stocks after preferred dividends.

Tenders and By-laws

No. 3—Cookshire, Que.—$25,000, 5%, 25-yr. serial bonds. A. W. Pratt, sec.-treas.

Oct. 30—North Bay—$468,604, 5% and 5½%, 10 and 20 instalment local improvement debentures. W. N. Snyder, city clerk.

British Columbia

The following certificates have been issued by the Municipal Department of the Province of British Columbia upon the following dates:

Sept. 13th, 1926—District of North Vancouver, "Capilano Recreation Park Loan By-Law, 1926," $5,000, twenty years, 5%. District of North Vancouver, "Roche Point School Loan By-Law, 1926," $2,100, twenty years, 5%. Oct. 1st,—District of South Vancouver Bylaw No. 986, $4,745, ten years, 5½%. Oct. 2nd—Trail—"Sewer Extension Local Improvement By-law," 1925, $5,200, twenty years, 5%. Oct. 2nd—District of South Vancouver By-law No. 987, $163,184, thirty years, 5½%. Oct. 6th—District of North Vancouver "Kennedy Lake Waterworks Loan By-law, 1926," $135,000, twenty years, 5%. Oct. 6th—District of North Vancouver "Waterworks Extension and Improvement Loan By-law, 1926," $52,000, twenty years, 5%. Oct. 12th—Prince Rupert—By-law No. 605—"Local Improvement Consolidating By-law No. 605," $63,659, ten years, 5%. Oct. 13th—Point Grey—By-laws Nos. 625 to 757—Local Improvements, ten years and fifteen years, 6%.

This Week's Bond Sales

TOWN OF COLLINGWOOD

The Town of Collingwood sold an issue of bonds to Macneill, Graham and Company at 99.31. The issue amounted to $37,214 5 and 5½ per cent. 10 and 30-year bonds of which $28,300 5 per cent. 10 and 30 instalments were guaranteed by the County of Simcoe.

Westburne R. M. Issue

An issue of $25,000, Westburne R. M. Man, 6 per cent 30-instalment drainage debentures has been awarded to Bond & Debenture Co. of Canada, on a bid of 104.76. The bids were:

Bond & Debenture Co.	104.76
C. H. Burgess & Co.	104.25
John MacGregor & Co.	104.22
Harris, MacKeen & Co.	104.10
E. G. Read & Co.	103.60

Belleville Sells Bonds

The City of Belleville has sold an issue of $115,247, 5 per cent. debentures to R. A. Daly & Co., at 99.41.

The bids were:

R. A. Daly & Co.	99.41
Fry, Mills, Spence & Co.	99.39
Mead & Company	99.27
Wood, Gundy & Co.	99.20
McLeod, Young, Weir & Co.	98.88
C. H. Burgess & Co.	98.77
H. R. Bain & Co.	98.75
Gairdner & Co.	98.732

County of Essex Bonds

Wood Gundy Company were the successful tenderers for an issue of $40,000, 5 per cent., 15-instalment debentures of the County of Essex. Their price was 99.80, or on a cost basis of 5.02 per cent. Tenders follow:

Wood, Gundy Co.	99.80
Municipal Bankers Corp.	99.65
Matthews Co.	99.47
Hanson Bros.	99.40
Fry, Mills, Spence & Co.	99.32
R. A. Daly & Co.	99.31
Bell, Gouinlock & Co.	99.30
Harris, MacKean & Co.	99.26
Dyment, Anderson & Co.	99.22
McLeod, Young, Weir & Co.	99.19
Gairdner & Co.	99.072
C. H. Burgess & Co.	99.06
Macneill, Graham & Co.	99.03

BOND MOVEMENTS OF THE WEEK

Week Ending October 26

Bonds—	Int. Rate	Due	Yield	Range. 1925 High	Low	Range, 1926 High	Low	Ask	Latest Price Bid	High	Low
Asbestos	5	1942	5.23	100	84¼	98	92	..	97¼	97⅝	..
Do. Gen. Mtge.	6	1956	7.29	..	..	85	81¾	84½	84	84½	84
Do., 1st Mtge.	6	1941	6.31	..	..	97½	96¼	98¼	97½	97	..
Can. Canners	6	1950	6.26	96½	90	100	94	97	96½	96¾	96½
Canada Bread	6	1941	5.39	105	102	106	104	..	106	106	..
Can. Car	6	1939	6.00	103	101	102⅝	100	..	103	100	..
Canada Cement	6	1929	5.35	103½	100	102¼	100½	102¼	101¼	101½	..
Dom. Canners	6	1940	6.11	102½	99½	99	99	..	99¼	99	..
Cons. Rubber	6	1946	6.00	101	95	102	100	101½	100½	100	..
Montreal Trams.	5	1941	5.35	98	97	102½	96½	97½	96½	96½	..
Montreal Tram. "A".	5	1955	5.45	98	92¼	95	92⅛	93⅝	92⅞	93⅝	92¾
Montreal Power	4½	1932	5.13	97½	96	97	97	..	97	97	..
Porto Rico Rly.	5	1936	6.57	..	..	89¾	89	..	89½	89	..
Quebec Rly.	5	1939	5.61	98	89¾	95	91⅞	95	94¼	94½	94¼
Rio Janeiro	5	1935	5.98	95½	82	95⅞	91½	..	93½	93½	..
Wabasso	6	1947	5.95	99	92	100½	99	..	100⅜	100⅜	..
Wayagamack	6	1951	6.00	98¾	84¼	100¼	91¾	100	99⅞	100	99⅞
War Loan	5	1931	4.80	102.65	101.00	102.40	100.35	101.00	100 75	100.65	.....
Do.	5	1937	4.65	104.95	103.80	104.65	103.00	103.40	103.20	103.20	103.05
Victory Loan	5½	1927	4.70	103.15	101.70	101.75	100 00	100.95	100.70	101.00	100.30
Do.	5½	1933	4.81	107.00	105.10	106.80	103.65	104.40	104.15	104.20	103.80
Do.	5½	1934	5.02	104.80	103.20	104.10	102.70	103.25	103.05	103.25	102.90
Do.	5½	1937	4.70	110.00	108.15	109.80	106.90	107.40	107.15	107.20	107.05
Do., Renewal	5½	1927	4.95	103.15	101.70	101.75	100 00	100.55	100.30	100.40	100.15
Do.	5½	1932	5.02	104.20	102.60	103.40	102.00	102.55	102.30	102.50	102.15
Do., Refund	5	1928	4.90	104.45	100.15	101.30	99.00	100.25	100.05	100.10	100 00
Do.	4½	1940	4.89	97.25	92.00	96.70	95.60	96.20	96.00	96.00	95.85
Do.	5	1943	4.85	102.95	100.15	102.20	101.10	101.60	101.35	101.55	101.20
Do.	4½	1944	4.82	97.65	96.20	97.15	95.75	96.20	96.00	96.20	96.00
Do.	4½	1946	4.81	..	......	96.50	95.65	96.20	96.00	96.20	95.75

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Belleville	Oct.	R. A. Daly & Co.	5%		$115.000	99.41	...
Essex County	Oct.	Wood, Gundy & Co.	5%	15-ins.	40.000	99.80	5 02
Westburne, R. M.	Oct.	Bond & Debenture Co.	6%	30-ins.	25.000	104.76	5.57
Collingwood	Oct.	Macneill, Graham & Co.	5&5½%	10 & 30-yr.	37,214	99.31	....

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Bond Issues	Date issued	Offered by	Rate	Due	Amount	Price	Yield
National Milk Products	Oct.	J. A. G. Clarke & Co.,	6½%	1946	$150.000	99	6.60
Crescent Road Apartments	Oct.	W. A. Mackenzie & Co.	7%	20-yr.	160,000	100	...
Eastern Paper & Felt	Oct.	G. S. Gourdeau & Co.	6½%	10-yr.	75,000	99	6.62
Stock Issues—							
Quinte & Trente Valley Power	Oct.	Johnston & Ward	7%	Pref.	$325,000	99	7%

We deal in—

United Securities 6% Preferred Shares.
C.P.R. 4½'s............1944
Bell Telephone 5's.....1955
Belgo Paper 6's........1943
Belgo Paper 7% Preferred Shares.
Quebec Power Co. 6's..1953
Quebec Railway 5's....1939
St. Maurice Power 6½'s 1953
Wayagamack 6½'s.....1930
Wayagamack 6's.......1951
Montreal Tramways 5's 1941
Montreal Tramways 5's 1955
Montreal Public Service 5's..........1942
Windsor Hotel 6½'s...1943
Laurentide Power 5½'s.1946
Duke-Price Power 6's..1966
Manitoba Power 5½'s..1951
Gatineau Power Co. 5's.1956
Gatineau Power Co. 6's.1941
Anticosti Corporation 6½'s...............1941
Anticosti Corporation 7% Preferred Shares
Canada Steamship Lines 6's............1941

At all times we are prepared to submit satisfactory bids for the purchase, in odd lots, of Canadian Government, Municipal and high-grade Corporation Bonds.

RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 71, St. Peter St.
(ESTABLISHED 1901)
E210

Seasoned Securities

We are active buyers and sellers of Canadian and Foreign Government, Municipal and high grade corporation bonds, as well as of preferred shares having sound dividend records.

Our publication, "The Investor," contains list of current offerings.

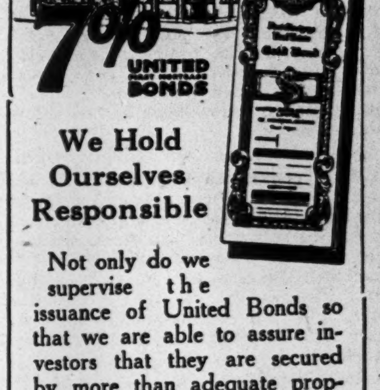
Write for a copy.

McLEOD, YOUNG, WEIR & Co
Limited
Metropolitan Building
Phone Adelaide 4836
TORONTO
MONTREAL HAMILTON
OTTAWA LONDON

F. M. Black & Co.
Financial Agents
805 Electric Railway Chambers
WINNIPEG, MAN.

BONDS FOR INVESTMENT
HOUSSER, WOOD & CO.
LIMITED
Investment Bankers
ROYAL BANK BLDG. TORONTO

FOREIGN SECURITIES
We are active in all foreign issues.
Ask for quotations.
Have your name placed on our mailing lists.
EUROPEAN DEBENTURE CORPORATION, LTD.
120 St. James Street, Montreal



We Hold Ourselves Responsible

Not only do we supervise the issuance of United Bonds so that we are able to assure investors that they are secured by more than adequate property value, and surrounded by every legal safeguard. We do more.

During the entire lifetime of the bond issue we inspect the property, see to the maintenance of insurance, collect monies due under the mortgage—in short do everything that safeguards a bondholder's interests as diligently as he could do for himself.

Let us send you our booklet.

"THE HIGHROAD"
A guide to good investment.

UNITED BOND COMPANY LIMITED
297 Bay St., Toronto, Ont.
Phone Elgin 5079
4 Imperial Bank Bldg.,
Windsor, Ont.

William Hamilton
LIMITED
Hydraulic Turbine
Machinery and Accessories.

Built in Canada and backed by 60 years' experience in this field.

-Leffel Design-

Head Office: Peterborough, Ont.
Vancouver Montreal Winnipeg

We beg to announce that

Mr. John A. Mara

formerly of The National City Company is now associated with this firm.

Mara & McCarthy
MEMBERS TORONTO STOCK EXCHANGE
297 BAY STREET TORONTO
TELEPHONES ELGIN 3294-5-6-7

Insurance for Buyer and Seller

DO NOT GIVE UP GOOD POLICY UNTIL SOUND ADVICE HAD

Too Many Agents Now Suggest Unwarranted "Conversions"

Holders of life insurance policies are well advised to pay very careful attention to the discussions that take place from time to time regarding the question of "converting policies." This term applies to the practice of agents in soliciting clients to convert their higher-priced insurance policies into policies on a lower premium plan, for the purpose of using the funds thus released to purchase new insurance.

The practice, which started originally with the introduction of "programming" into insurance salesmanship, has been generally condemned by actuaries and officials, and was the subject of very heated discussion at recent meetings of the Life Underwriters' Association of Toronto. The word "programming" refers to the common practice of finding out what insurance a prospective client carries and the submitting for his approval a revised plan which may be either entirely new or may simply contain additions to meet his apparent needs. This practice is deemed to be a good one insofar as it is used to make the new policy dovetail into the existing policies, but unfortunately it does not stop there.

Where Evil Comes in

With a view to reaping a commission from the sale of new business, the agent is tempted to suggest that his client dispense with higher-priced policies that are partially paid-up; exchange them for lower-priced policies and use the reserves that are thus released to buy additional protection. The most favorite plan is to advise that a 10, 15 or 20 payment life or endowment policy be exchanged for an ordinary policy which comes at a much lower rate.

In the best interests of the policyholder there seems to be two fundamental rules which cannot well be overlooked. In the first place, no change should be made without the advice of the head office in which the existing policies are held; and secondly, that as a general rule if any change or conversion is necessary, it will be in the best interests of the policyholder to make the exchange with his own company. The reason for this latter step is obvious. A partially-paid up policy is in many respects like a used automobile which is worth much more to its owner if turned in against the purchase of a new car, than if it is sold for cash on the open market. Any partially paid-up policy on a high-priced plan accumulates a reserve which increases every year. However, if the policy is surrendered for cash, the owner does not receive the total amount of the reserve, which would revert to him if he retained the policy until it became due. If the policy is converted into another lower-priced policy with the same company, he does receive a much higher percentage of the available reserve.

Agent Declared Not Disinterested

With regard to the matter of obtaining head office advice; no insurance agent is infallible, and even if he is perfectly sincere and conscientious, he cannot pose as a disinterested party in the transaction. If he writes new business he receives a commission, and that commission in the long run will be paid for by the policyholder.

Suppose Mr. Jones, 25 years of age, is approached by an agent and, acting on his advice, buys a 20-pay life policy. Ten years later another agent approaches Jones and advises him that he should be carrying additional protection. Mr. Jones replies, that with family obligations and so forth he cannot afford the additional protection that he feels he should have. The agent suggests that by "converting" his old policy into a cheaper form of insurance such as an "ordinary" life policy, he can obtain the same protection at a lower cost, and by using the accumulated reserves he can buy new insurance which will give additional protection. The plan sounds perfectly feasible, but the amount actually lost by Mr. Jones in surrendering his partially paid-up policy might more than offset the additional benefit of the new plan and, therefore, the best advice that the agent can give Mr. Jones is that he communicate with the company which holds his existing policy before taking any further action.

It is not denied that there are times when conversion is advisable, but there are said to be very few agents who are capable of making a disinterested analysis of the situation. Head office might advise our Mr. Jones to convert, but there is no doubt that as a rule the original company can give him the most profitable exchange, and that in every case the head office should be allowed to present its side of the argument.

THE
IMPERIAL
GUARANTEE AND ACCIDENT UNDERWRITERS

Guarantee, Accident, Automobile, Burglary, Sickness, Plate Glass, Fire.

HEAD OFFICE:
22 Wellington St. E., TORONTO.

Insurance Problems

Insurance questions of general interest, submitted by subscribers of The Financial Post will be answered in this column. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

ONTARIO EQUITABLE

I hold fifteen shares of Ontario Equitable Life and Accident Insurance Co. stock of Waterloo, on which I would like to realize. I am offered $20.25 per share by Insurance Investments Ltd., Toronto, 319 Bay St. Is this a fair price? Could you advise as to the reliability of this firm (Insurance Investments) and the value of their own bonds which they offer in exchange for insurance stock, allowing a higher price per share if taken in exchange. Their stock, I believe, carries a 7 per cent. dividend.

The present market for Ontario Equitable Life and Accident Insurance Company stock is approximately $24 bid, with stock offered at $25 a share. Therefore, the offer of $20.25 per share, which you have received, would require some revision in the light of more recent market movements.

We consider the firm of Insurance Investments, Limited, thoroughly reliable. As for the bonds which they offer you for your stock, we hardly think it necessary to answer your inquiry concerning them, as the company states they have no further bonds to offer at the present time.

We have not exact information as to the terms on which these bonds are issued.

CANADIAN ASSOCIATE

I would like a report on Canadian Associate Companies as I intend to invest.

Canadian Associate Companies is a holding company organized to acquire and hold controlling interest in the Merchants and Employers Guarantee and Accident Company. The formation of this company links this organization very closely with the Toronto Casualty, Fire and Marine Insurance Company and the Canadian General Insurance Company, and it is likely the first step in a larger arrangement which will bring these companies even more closely together.

The formation of a holding company is a common procedure in Canadian finance. It enables those who have purchased control of the Merchants and Employers Guarantee and Accident Company to distribute some of their investment without losing control of the company. To this end they offer fairly attractive terms for the stock of the Canadian associate companies.

We would consider the best point in connection with the offering the class of men on the directorate. Several of them are experienced insurance men, and the others are business men of responsibility and high reputation.

The offering may be regarded as reasonably safe with some speculative opportunities.

Insurance Personals

Following are the changes in the field announced by the Canadian head office of the Metropolitan Life Insurance Co.:

W. E. Crossey, assistant manager at Fort William, Ont., is appointed general assistant manager.

John B. Duffy, formerly assistant manager at Hamilton, Ont., is appointed assistant manager at Riverdale, Toronto.

L. R. Harper, agent at Fort William, Ont., is appointed assistant manager at Fort William.

Herbert W. Ward, agent at Hamilton, Ont., is appointed assistant manager at Hamilton, Ont.

J. W. Hillock, assistant manager in Canadian territory, is appointed head office inspector.

Ormond W. Rorke, assistant manager at London, Ont., is appointed general assistant manager in Canadian territory.

Edgar B. Hale, agent at London, Ont., is appointed assistant manager at London, Ont.

Edward G. Somerville, agent at Parkdale, Toronto, is appointed assistant manager at London, Ont.

Arthur Loranger, agent at McGill, Montreal, is appointed assistant manager at McGill, Montreal.

E. E. Reid, general manager of the London Life, has been elected vice-president of the Life Office Management Association. The appointment was made at the convention recently held by the association in Chicago.

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

When selecting a Trust Company as an Executor, choose one whose fixed policy is to give

Financial Assistance

to Estates being administered by it

PAID UP CAPITAL
AND RESERVE $1,259,430.36

The Imperial Canadian Trust Co.

Executor. Administrator, Assignee, Trustee, Etc.

Head Office: Winnipeg
Branches: Saskatoon and Calgary

INSURANCE RATES CAN BE KEPT LOW; UP TO COMPANIES

Insurance Superintendent Says Business Carelessly Managed

HON. WILL MOORE,

Commissioner of Insurance for Oregon, at Conference of Canadian Superintendents of Insurance.

Fire insurance business is the most carelessly handled of any business. The companies are particularly careless in the selection of agents in the manner in which the agents are allowed to do business, and in the selection and acceptance of risks. This is largely brought about by the ever-increasing scramble for volume of business by the companies themselves. The heads and managers of the companies watch the percentage of increase in volume of business written from year to year and report to the stockholders the expected increase for the next year. This greed for volume is passed on to the general agent, he in turn passes it on to the special agent, and he goes out and tries to enthuse the local agents and urges them to get more business. Then he tries to find more agents.

Prompted by the ever-increasing demands upon him for volume of business, the special agents are always looking for the agent who controls or can offer an attractive line of business and will offer an extra commission for that business. Sometimes they do not wish to make an increase in the commission which they are paying for the fire business, but will give an increased commission upon some other class of insurance which their company writes; oftentimes they will write policies for the agent or put someone in his office on the payroll of the company, or in some way manage to offer sufficient inducement to get that particular line of business away from the other company.

Dishonest Agents a Menace

The great majority of the agents are honest, hardworking men, who want to do a clean, honest business. For a while they carefully follow instructions given them and do not accept any but the best risks. Then someone offers the agent a risk that is prohibited by the company he represents. It pays a high rate, with a correspondingly larger commission. He refuses it and watches the man take it to one of his competitors who accepts it. He knows that agent has the same orders about risks of that kind that he has, and wonders how it happens that the other company will accept it when his will not. After this has happened a few times he decides he will try one and see what his company will do. When it is offered he writes the policy, sends in the daily report with fear and trembling, confident that it will be rejected, but it is accepted, so he tries another one, and it gets by. In a short time he is looking for that kind of business because of the larger returns. He soon builds up a large business, and all the special agents are trying to place their companies with him.

Too Anxious to Settle Loss

After the fire they are all anxious to settle the loss, the different companies vying with each other in an effort to be the first to settle, and frequently using this in their advertisements as an inducement and reason why they should be given business.

This careless and indifferent manner of doing business has brought about an increase in both the acquisition cost and the fire losses. This increase has more than kept pace with the increased volume of business, and has also brought a proposal to increase fire insurance rates. The increased acquisition cost and fire loss has made it easy for the companies to show that the underwriting is done at a loss. The fire loss has more than doubled in the past 10 years.

This increase is very largely due to the fact that but little attention is paid to the moral hazard, and still less to inspection of risks.

Rates Must Be Kept Down

It is necessary that something should be done to keep the insurance rates from going higher. Would it not be better if the insurance companies would make an effort to reduce this expense and save some of this fire loss rather than go to the courts in an effort to increase the rates?—carrying the cases to the higher courts and thus piling up expense, which is all added to the underwriting charge. The property that is destroyed by fire is gone for ever; no human power can replace it, but, if it is saved from destruction, it can still be insured, and thus the insurance company would be a double winner.

The men managing the large insurance companies do not seem to think that it is necessary to do anything or make any effort to check the ever-increasing insurance rates. However, the people at last get out of patience in cases of this kind and sometimes take things into their own hands, with the result that those who are too domineering often fare much worse than they would have done had they tried to give the benefit and relief which was really justified.

Life Insurance Sales Continue Excellent Gain

Canadian life insurance sales in September showed an increase of four per cent. over September last year with $34,878,000 of new business paid for by companies having in force 84 per cent. of the total outstanding business in Canada, according to figures just issued by the Life Insurance Sales Research Bureau of Hartford, Connecticut. This is an increase of $1,335,000 over the sales of last September. The report includes the production of new paid-for business, exclusive of revivals, increases, dividend additions, reinsurance from other companies, and group insurance.

There is a wide variation in the records of the different provinces. Improvement in business conditions over last September is most noticeable in the records of Prince Edward Island with an increase of 36 per cent., and in New Brunswick and Quebec with gains of 27 per cent. and 17 per cent. respectively.

The records of the Canadian cities vary widely. The best increases in the cities are in Montreal with a gain of 26 per cent. and in Vancouver with a 21 per cent. increase.

For the first nine months of the year sales averaged 10 per cent. more than sales for the same period of last year. Every province in the Dominion shares in the general gain for the first nine months, the increases ranging from three per cent. in Manitoba to 28 per cent. in Saskatchewan. Montreal leads the cities in the year-to-date gain with a 15 per cent. increase.

The gain in the twelve months ended September 30, 1926, over the preceding twelve months is the same as the cumulative gain, or 10 per cent. Every province shows a gain of at least five per cent. for the twelve-month period.

Build Rural Power Lines

The Ontario government is spending $1,000,000 during the present fiscal year to make hydro-electric power available to the farmers of the province. This follows the plan begun by the Drury government, of paying one half cost of primary line construction, and later extended by the Ferguson government to secondary line work as well.

Insurance
OF ALL KINDS
TRANSACTED
The Provident
ESTABLISHED
1905
Head Office:
THE PROVIDENT BUILDING
Corner Place d'Armes & St. James St.
MONTREAL
Tel. HArbour 3292-3-4-5-6-7

THE
Western Empire
Life Assurance Company
HEAD OFFICE
701 Somerset Building
Winnipeg, Man.
Branch Offices:
SASKATOON EDMONTON
CALGARY VANCOUVER

The NORTHERN
LIFE ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO
Good insurance salesmen can always find a place with our growing organization. Write for full particulars.
Head Office: London, Ontario.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
Head Office for Canada: HAMILTON, ONTARIO
Writing Fire Insurance at Cost Assets $3,118,764.07
ALL POLICIES DIVIDEND PAYING AND NON-ASSESSABLE.
BRANCH OFFICES
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY Secretary
W. H. HUNTER President
ALEX. STEWART Treasurer

[Ad No. 2 in a series on Business Mortality]

Read This List of Claims Filed

The following claims against well-rated debtors were recently filed with us, by policy holders who were unable to realize on the same:

LINE	RATING	AMOUNT
Manufacturer Tires	1,000,000 First Credit	$66,900
Knitting Mill	100,000 First Credit	12,500
Manufacturer Furniture	100,000 First Credit	2,000
Jobber Silks	200,000 Second Credit	9,000
Department Store	300,000 First Credit	3,400
Wholesale Oil	300,000 First Credit	10,000
Manufacturer Trucks	1,000,000 First Credit	3,800
Wholesale Hosiery	125,000 Second Credit	3,600
Silk Mill	1,000,000 First Credit	1,500
Manufacturer Lumber	250,000 First Credit	14,500
Woolen Mill	200,000 Second Credit	2,400
Manufacturer Lamps	100,000 Second Credit	2,200
Wholesale Furniture	75,000 First Credit	2,400
Manufacturer Clothing	125,000 Second Credit	3,800
Manufacturer Automobiles	500,000 First Credit	3,300
Wholesale Coal	250,000 Second Credit	19,800

No one knew in advance that the above concerns would be unable to properly pay their debts. You may have debtors just as good—they may even fail next week. It all means just this: that every credit account is a risk; and that every credit account should be *insured*. The thousands of leading Manufacturers and Jobbers whose accounts are protected with our Credit Insurance already know this.

CANADIAN DIVISION
The AMERICAN CREDIT INDEMNITY COMPANY
of New York — J. F. McFadden, President
R. J. MULLEN, General Manager for Canada
TORONTO OFFICE: 1702 Metropolitan Bldg., Phone: Main 4316
MONTREAL OFFICE: Canada Cement Bldg. Phone: Lancaster 3258
KR700

IF YOUR SALARY CEASED?

What then?

A Sun Life Pension Bond is the answer. A moderate sum that you spend carelessly now, if invested in one of these bonds takes care of your later years, and removes anxiety.

Include a Total Disability benefit and you make "assurance double sure." It costs but little.

Pension Investment Bonds can be had maturing at 50, 55, 60 or 65 years, for any amount desired from $10 monthly upwards, with or without Total Disability benefit, and with life assurance added if desired.

Ask a Sun Life man about it. Full information without obligation.

SUN LIFE ASSURANCE COMPANY
OF CANADA
Head Office: Montreal

THE MONARCH LIFE
IS A
GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

"I Didn't Want To Be a Miser!"

"It was a difficult place to be in, but what was I to do? I knew I was losing out with my wife and family, and myself too, but I just couldn't think of what the future might be for Alice and the children and spend every last cent.

"So I worked, slaved, saved; but it didn't give me much pleasure nor satisfaction.

"—Finally I discovered something.

"I found that by depositing just a little more than 10% of my salary with The London Life, I actually guarantee everything for which I had been striving,—protection for my family and our home and other investments, together with provision for my own old age.

"Now we do get genuine enjoyment out of the pleasures we treat ourselves to. We have money for the present because our plans for the future are so well laid."

The London Life Jubilee and Duplex policies meet perfectly the needs of men in this position. Any of our representatives will be pleased to explain them without obligation.

London Life
Insurance Company
"Canada's *Industrial-Ordinary* Company"
HEAD OFFICE LONDON, CANADA

Current Events in Banking World

WILL BEST YOUNG BRAINS BE DRAWN BY BANK INCOME?

Question is Asked by Bank Man, Who Thinks Not

In discussing the question of salaries of bank men, this page is, as always, only an open forum and has no views of its own to express. But it welcomes views from bank men and trusts that the following contribution to the discussion, written from inside a bank, will be followed by other articles from bank men, whose anonymity will be likewise preserved. But the following article should be read in conjunction with last week's article defending present salary basis.

With all due deference to the maintenance of adequate reserves and the application of sound financial principles, a bank is often judged and respected according to the calibre of its officers and staff. Here, as elsewhere, service is the "sine qua non" of success, and courtesy and cheerfulness are at a premium. Granted then that the business of the local branch is dependent upon the type of men who make the daily contacts with the banking public, the question arises as to how far the salaries now paid to employees affect the personnel and calibre of the staff.

Every day, banks, along with other commercial houses, compete with one another for the surplus or floating supply of brains which is available. Young men, 17 years of age and over who are about to go into business as a rule avail themselves of the most lucrative occupation that offers itself. My opinion is that the scale of salaries offered by the banks is not sufficient to attract into the profession the best young men in the country. Not only is this criticism levelled at the salaries paid to juniors, but also at the average scale of salaries paid to the great bulk of men who form the backbone of our profession.

Last week, The Financial Post, in discussing the question of junior's salaries, referred to the fact that from the head office point of view, banking was a profession, and therefore renumeration during the period of training was necessarily small. Without denying the truth of this, I am of the opinion that the lack of an adequate dollars and cents incentive is turning away many clever and intelligent young men who would otherwise enter the profession with great credit to themselves and the institutions with which they would become allied.

Could Do With Smaller Staff

Take, for example, the average small branch. Many managers have expressed to me the opinion that the work in their branch could be carried on much more efficiently by a smaller and more capable staff. Examples are continually occurring where an outstanding, well-trained man is used to do the work that is ordinarily done by two or three less efficient men. I feel that expenses could be reduced and business very materially increased if we were allowed a smaller but more capable staff.

Banking in Canada to-day provides a fairly safe berth to the occupant. The struggle for the survival of the fittest is not so keen, and the process of weeding out is not applied with the same rigor as in commercial institutions. Very often, in spite of vacancies, the manager does not feel like making a recommendation, because he knows that the juniors in his employ are incapable of assuming the responsibilities of higher offices.

Stepping Stone to Other Work

Another contributing factor is that banks are being deliberately used as a stepping stone or training ground to other walks of life. Brilliant young men enter the banking profession because of the good training it affords and with every hope of success, they leave after a few years to enter more lucrative occupations. Thus the bank loses not only their time and money spent in early years of training, but also the chance of enlisting in its staff keen-minded men who eventually rise to the highest positions in other callings.

It has also been commented upon by people outside of the banks that few university-trained men are to be found in the banking profession. The number of young men who take an arts or commerce course before entering business, has increased enormously in the last few years and among this number are to be found men who will undoubtedly be leaders of the next generation.

I have heard people say that it is unfortunate that the banks are making apparently little or no effort to attract this type of man into the profession. Very few university graduates expect their diploma to give them an entree into the business world; for the most part they are only too glad of any opportunity to enter the commercial arena. The criticism on the other hand, is that the banks, with a few exceptions, have not shown any desire to meet these men half-way and give them the same opportunities that are offered by other vocations. Maybe so; I do not know how good the college man would be in banking.

Nova Scotia Branch

A branch of the Bank of Nova Scotia has been opened at Codette, Sask.

The Imperial Bank announces the following staff changes: L. T. Charlton formerly manager, Cochrane branch, has been appointed manager, North Bay. A. W. Barlow, formerly manager, Matheson branch, has been appointed manager at Cochrane.

Dominion Note Circulation and Gold Holdings

Government Note Circulation	
Provincial	$ 27,623.53
Fractional	1,319,010.19
$1.00	18,394,927.50
$2.00	13,562,876.50
$4.00	33,287.00
$5.00	675,442.50
$50.00	650.00
$500.00	2,091,500.00
$1,000.00	4,436,000.00
Legal Tender Notes for Banks	
$1,000.00	717,000.00
$5,000.00	16,815,000.00
$50,000.00	129,050,000.00
	$187,123,317.22
Gold Holdings of Government	
Gold held 30th September, 1926, by the minister of finance	$117,072,455.41
Gold held against savings banks deposits—(10 p.c. on $31,351,731.87 under the Savings Bank Act	$ 3,135,173.19
Gold held against notes in circulation	$113,937,282.22
Dominion notes outstanding against deposits of approved securities, under Finance Act, 1923	$ 18,800,000.00
Dominion notes outstanding under authority of Dominion Notes Act of 1915	$ 26,000,000.00

School Savings System Widely Adopted in U.S.

NEW YORK.—New high totals in school savings for all time mark the report as of June 30, 1926, covering continental United States. The number of systems reporting school savings has increased during the year from 760, embracing 1,557 districts, to 872, which embraces 1,818 districts. The number of schools has increased from 10,163 to 11,371; the number of pupils enrolled in schools having systems from 3,848,632 to 4,319,741; the participants in school savings from 2,869,497 to 3,403,746; the deposits from $16,961,560.72 to $20,469,960.88; net savings from $7,779,922.55 to $8,770,731.05; and bank balances from $25,931,531.15 to $31,984,052.63.

The number of schools reporting savings systems increased over last year 11.8 per cent.; enrollment in such districts increased 12.2 per cent.; pupil participation increased 18.5 per cent.; deposits increased 20.6 per cent.; net savings 12.7 per cent.; and bank balances 23.4 per cent.

In time it is not a far cry to 1920 when the first comprehensive statistics covering the whole country became available. This period, measured in school savings growth, is remarkable. The number of schools reporting savings systems has increased 315.6 per cent.; the enrollment in such systems 325.3 per cent.; pupils participating in school savings 635.7 per cent.; deposits 630.9 per cent.; and bank balances 661.3 per cent.

SERVICES BANKS HAVEN'T OFFERED YET

Exercise your dog, Madam. Just tie him short to an inside rail on the revolving door. Yes, Madam. Twenty minutes is the equivalent of a mile. No, of course there is no charge. Glad to do it for you. It's merely another instance of our desire to be of unselfish service to our community.

Oh, no, sir, we couldn't think of letting your motor get cold, while you step inside to make your deposit. Allow me to put this patent asbestos-lined radiator overcoat over your hood—so! The guard will remove it for you when you are ready to leave.

Would you care to leave your laundry here, sir? Just a little convenience for our customers—sign this slip, please—yes, you can call for it day after tomorrow. Identification by signature. No, not the regular price—merely a nominal fee to cover a share of the salary of the Chinamen.—The Burroughs Clearing House.

Weekly Bank Clearings

(In comparison with the same week last year)

WEEKLY BANK CLEARINGS

Eastern Cities	Oct. 22, 1925	Oct. 21, 1926
Halifax	$ 2,804,079	$ 2,826,227
St. John	2,821,926	2,523,189
Moncton	870,576	983,871
Sherbroke	916,496	950,460
Quebec	5,955,534	......
Montreal	118,529,669	121,273,756
Ottawa	8,425,492	8,180,944
Kingston	780,006	755,826
Peterboro'	751,182	775,968
Toronto	106,718,095	102,778,308
Hamilton	5,375,041	6,770,038
Brantford	1,172,348	1,082,150
London	3,091,657	3,763,129
Kitchener	1,031,642	1,112,045
Windsor	2,740,170	4,917,619
Western Cities	**Oct. 22, 1925**	**Oct. 21, 1926**
Ft. William	$ 904,738	$ 1,128,458
Winnipeg	69,001,742	70,377,241
Brandon	691,264	708,078
Regina	......	6,694,136
Moose Jaw	1,571,218	1,724,813
Saskatoon	2,284,527	2,547,917
Pr. Albert	361,212	419,457
Lethbridge	525,145	673,408
Calgary	6,224,214	8,187,377
Edmonton	4,799,958	5,163,742
Medicine Hat	356,098	416,312
N. Westminster	642,227	753,294
Vancouver	18,666,781	18,431,734
Victoria	2,139,060	2,435,165

B. H. PORTEOUS
& Company

Stock and Bond Brokers

Members
Montreal Stock Exchange
Montreal Curb Market

17 St. John Street
Montreal, Que.

Grant Johnston & Co.
Members
Montreal Stock Exchange
Montreal Curb Market
A Reliable Service in
Listed and Curb
Securities
104 ST. FRANCOIS XAVIER ST.
MONTREAL
Telephones Main 6184-6-6185

Baron Shaughnessy Joins Board of Commerce Bank

The Canadian Bank of Commerce has a new director. Rt. Hon. Baron Shaughnessy has been added to the board. Baron Shaughnessy is prominent chiefly as a member of the Montreal legal firm of Meredith, Holden, Hague, Shaughnessy and Heward, and as president of the Canadian Industrial Alcohol Company. He is a son of the late Baron Shaughnessy, one of the early giants of the Canadian Pacific Railway, who died a few years ago, when his son, William, succeeded to the title.

Baron Shaughnessy is on the board of the C. P. R., as well as being a director of Yorkshire Insurance Company, and Canadian Explosives. He is a King's Counsel.

Staff Gossip

David Gordon of the Standard Bank staff, Beaverton, has been transferred to Sudbury, Ont.—Times, Picton.

* * *

F. I. Atkins, of Winnipeg, formerly assistant accountant of the accountant's department, Canadian Bank of Commerce, has taken the position of accountant in the Port Arthur branch, vacated owing to K. S. Feader being transferred to the Toronto head office, after having occupied that position in the Port Arthur branch for the past five and a quarter years. — Times-Journal, Fort William.

* * *

A. E. Griffin, for two years assistant manager of the Winnipeg main office of the Bank of Nova Scotia, is leaving shortly for Edmonton. Mr. Griffin will succeed B. M. Macleod as manager of the Edmonton office of the bank.

Mr. Griffin has enjoyed a wide and varied experience in banking, having been assistant manager in Kingston, Jamaica, and also in Havana, Cuba. He was also for a time in the head office of the Bank of Nova Scotia in New York.—Tribune, Winnipeg.

* * *

M. St. C. McLean, manager of the Canadian Bank of Commerce at Nokomis, has been notified of his appointment as manager of a branch of the bank at Yarmouth, N.S.

Mr. and Mrs. McLean came to Nokomis from Carman, Man., eleven years ago and have always taken an active interest in the social and business activities of the town.—Leader, Regina.

* * *

P. Billington, manager of the Drumheller branch of the Standard Bank, has been promoted to the managership of the Portage Avenue branch, Winnipeg. —Mail, Drumheller.

* * *

The many friends of Lorne T. Charlton, local manager of the Imperial Bank of Canada, while congratulating him on a well earned promotion to the managership of the North Bay branch of the Imperial Bank, will learn with sincere regret of his leaving Cochrane. Mr. Charlton came to Cochrane as manager in 1920 and during the time of his residence here has at all times taken a keen interest in the affairs of the town and has done his full share in furthering and advancing the general progress here. Since the beginning of the year he has been president of the local Board of Trade and is holding high office in several social and athletic associations here.—Northland Post, Cochrane.

* * *

In recognition of the services of W. T. White, Woodstock manager of the Bank of Commerce, who is leaving for Vancouver, a group of clients of his bank assembled at the bank recently and presented him with a purse of gold and an address.

R. V. Arnold, who has been manager of the Bank of Nova Scotia branch at Bridgetown for the past nine years, leaves for Hampton, N. B., where he will assume the management of the bank branch. The manager at Hampton proceeds to Westville, where Mr. Arnold was first slated to go. Mr. Arnold is succeeded at Bridgetown by John Kennedy, who, for ten years past, has been manager at Dauphin.—Herald, Halifax.

What Will the Little Lady Have Next?

The cashier was busy with a lady depositor, who asked the cashier to certify five checks for her, none of which had been made out in full. Taking up the first the cashier asked what amount it was for, and after some hesitation the lady replied:

"Seventy-five dollars."

The check was filled in and certified, then the cashier took up the next one, repeating his question. The lady hesitated again and finally said:

"What I want is for you just to certify the blank checks. Then I can fill in the amounts as I need to use them."—Wall Street Journal.

Homestead Areas Filed On

Nearly 200,000 acres of homestead land have been taken up by new settlers in the Dominion lands area covered by the Edmonton agency in the nine months since the beginning of the year.

Personal Service

PERSONAL service is one of the features of the work of this Corporation. Officers in charge of estates and trusts committed to its care take an active, personal interest in their administration, giving friendly advice and counsel on financial and family matters to beneficiaries—making it their business to facilitate the work on hand, collecting the estate income as it falls due and promptly sending cheques to those entitled.

Our clients are our friends—the result of personal service rendered over a long period of years. We solicit your business.

Ask for Booklet, "Your Financial Agent."

The
TORONTO GENERAL TRUSTS
CORPORATION
Established 1882

W. G. WATSON, *General Manager.*
H. M. FORBES, *Asst. General Manager*

Toronto Ottawa Winnipeg Saskatoon Vancouver.

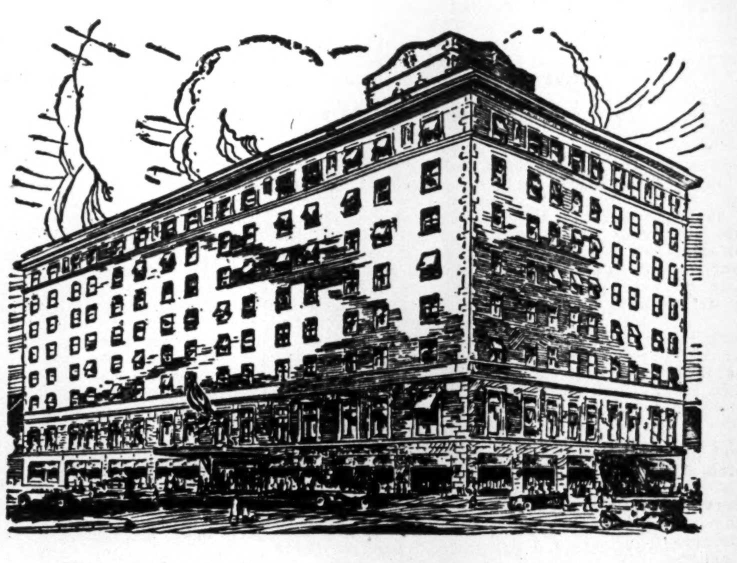
NEW ISSUE

$750,000

London Realty Company, Limited

6½% 15-Year First Mortgage Sinking Fund Gold Bonds

To be dated October 1st, 1926, maturing October 1st, 1941. Principal and semi-annual interest payable at par at any branch of the Bank of Montreal in Canada. Coupon Bonds, $1,000 and $500 denominations, with privilege of registration as to principal. Redeemable at 105 to and including October 1st, 1931; thereafter at 103 to and including October 1st, 1936, and thereafter at 101 to maturity. Semi-annual sinking fund of 1¼%, plus interest on bonds redeemed, commencing July 1st, 1929, is estimated to be sufficient to redeem approximately one-half of the entire bond issue by maturity.
Trustee: The London & Western Trusts Company, Limited.



CAPITALIZATION
On completion of financing)

	To be Authorized	To be Issued
6½% First Mortgage Bonds (this issue)	$750,000	$750,000
6½% General Mortgage Bonds, due 1934	150,000	125,000
7% Preferred Shares	400,000	300,000
Common Shares	400,000	300,000

Descriptive circular, copies of which will be supplied upon request, contains a letter from Mr. John J. McHale, President of the Company, from which the following is summarized:

These Bonds will be secured by first mortgage and charge on approximately 32,760 square feet of land at the southeast corner of Dundas and Wellington streets, London, Ontario, and the eight-storey hotel, with its equipment, to be immediately erected thereon.

The new hotel will contain approximately 204 guest rooms, each with bath, with stores on the ground floor and other rentable areas. It will be of fireproof construction, with brick and stone exterior and will conform with approved modern practice in hotel design and construction. Completion, equipment and delivery of the building by August 1st, 1927, free of all liens, is guaranteed (subject to usual reservations) by guarantee bond of the contractors and The Guarantee Company of North America for $400,000, in favour of the Trustee.

The appraised value of the land, building and equipment of the new hotel, when completed and furnished, is	$1,452,150
Total of First Mortgage Bonds	750,000
Equity in excess of First Mortgage Bonds	**$ 702,150**

Earnings and operating expenses for the first full year of operation are estimated as follows:—

Gross Revenue	$264,000
Operating Expenses, Taxes, Insurance, etc	90,500
Net Profits available for Bond Interest, Depreciation, etc	$173,500

Equivalent to over 3½ times First Mortgage Bond Interest of $48,750

The above figures do not include any allowance for income from or operation expenses of dining-room and grill-room services, which, it is estimated, will provide an additional source of profit.

Insurance to an amount of not less than the total of First Mortgage Bonds outstanding at any one time will be carried on the building and equipment.

The Board of Directors of the Company will comprise initially a number of the most prominent business and financial men of the City of London, who have given their undertaking as to the completion and equipment of the building and the provision of suitable management. These men will have a very substantial cash investment in the Preferred Shares of the Company. Upon completion of construction, Mr. J. J. Lussier, who has undertaken its management, will assume control of the Company.

London is one of the most substantial of the larger Canadian cities, and is the commercial centre of a territory of approximately 1,000,000 population. It is considered the fourth largest banking centre in Canada. Located midway on the short route between Detroit and Niagara Falls, U.S.A., the city shares to an unusual degree in the motor tourist traffic from the South. At present it has no up-to-date hotel accommodation such as the new building will provide.

We offer these bonds for delivery if, as and when issued and received by us and subject to approval of our counsel of all proceedings, at—

98½ and accrued interest, to yield about 6.65%

Royal Securities Corporation
Limited
R. A. Daly & Co.
Midland Securities Limited
Matthews & Company
Limited

The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

WORLD'S LARGEST PAPER MILL MADE SUBJECT OF BOOK

International Paper Tells Bankers About Three Rivers Mill

The Three Rivers Mill of the International Paper Company is now the largest paper mill in the world. It has a capacity of 700 tons of newsprint a day.

This is one interesting fact of many presented in a booklet issued by the International Paper Company to commemorate the visit of a group of American bankers to the Three Rivers mill recently. The bankers were attending the Quebec Convention of the Investment Bankers' Association of America and a party took advantage of the opportunity to go through the Three Rivers mill.

"International Paper Company, with its subsidiaries, is the largest manufacturer of paper in the world, and one of the largest holders of water powers and timber limits in North America," it is pointed out. "The capacity of its paper mills is more than twice as great as that of any other company on this continent. Its timberland freeholds in Canada and the United States and Canadian Crown timber limits leases cover over 12,000,000 acres, or an area substantially larger than the combined areas of Massachusetts, Connecticut, Rhode Island and Long Island. Upon completion of the present development programme of its subsidiary, Gatineau Power Company, International Paper Company will have developed water powers with a total installed capacity of almost 600,000 horsepower (500,000 horsepower hydro-electric and 100,000 horsepower hydraulic), capable of being increased through further development and through the utilization of undeveloped sites to about 1,400,000 horsepower.

Canadian International Paper Company

"Canadian International Paper Company, a wholly-owned subsidiary of International Paper Company, in addition to owning and operating the Three Rivers mill, now has under construction the new Gatineau newsprint paper mill of six hundred tons estimated daily capacity. The company also owns and operates mills producing sulphite pulp with an aggregate capacity of 385 tons per day. Its holdings of timberland freeholds and timber limits under Canadian Crown leases exceed 10,000,000 acres.

Three Rivers Mill Described

"The Three Rivers mill of Canadian International Paper Company stands at the confluence of the St. Lawrence and St. Maurice Rivers, eighty miles below Montreal.

"On August 25, 1919, the Duke of Devonshire, then governor-general of Canada, started the construction of the mill by turning over the first spadeful of earth, and in August, 1922, all four paper machines were turning out newsprint.

"Recently it was decided to add four additional newsprint machines, making eight in all. Work was begun in December, 1924. The first two new machines came into operation in February and March, and the last two in May of this year.

"The Three Rivers mill now has a capacity of 700 tons of newsprint a day, thus making it the largest paper mill in the world. The four new machines are designed for normal operation at a rate of 1,200 feet a minute and for a maximum speed of 1,440 feet a minute. An innovation is the use of worm gears to drive the machines.

"One of the outstanding features is that every application of power is electrical and that it is one of the few 100 per cent. electric paper mills in the world. The original contract for the electrical equipment was the largest contract of the kind up to that time ever awarded in Canada.

"Not only does the St. Maurice River bring down pulpwood from the company's forests and furnish the power that runs the mill, but it brings down the large supply of fresh water which is necessary for operation. For purifying its water and so insuring the cleanness and bright color of the output of the mill, a pump and filter plant is installed at the river bank. The combined installed capacity of the pumps in the filter plant is 61,000 gallons per minute, or more than enough to supply the city of Montreal.

"Along the St. Lawrence River and adjacent to the mill, the company has constructed a new dock and rebuilt the old one, giving a total of over 1,200 feet of dock. Ocean-going steamships of thirty feet draft can go up to the dock, thus allowing wood, coal, sulphur and other raw materials to be shipped in and paper to be shipped out seven months of the year by water.

Burn Pulverized Coal

"In view of the high cost of fuel oil, the oil-burning boilers originally installed were recently replaced with larger boilers burning pulverized coal, and capable of ready adaptation to the use of fuel oil should changes in the relative market prices for coal and fuel oil render the change desirable. Operating steam plant costs, which after wood are one of the largest items of cost in the manufacture of newsprint, have in June, July and August of this year averaged less than 60 per cent. of the same costs for the corresponding months of last year.

"The Three Rivers mill is able to produce enough newsprint every minute to cover more than two acres, or enough every day to make nearly four million 24-page newspapers of standard size; and the daily output would make a strip of paper eight feet wide stretching from the Atlantic to the Pacific.

"The daily production of paper of the Three Rivers mill averages over one thousand pounds per employee, while in the first paper mill built on the North American Continent, in 1690, the average daily output per man for the three employees was about sixty pounds. Use of improved methods in manufacturing has been reflected in paper-making by increasing the average production per worker over sixteen times.

"The first paper mill cost a few hundred dollars and supplied only the needs of a small community. The Three Rivers mill represents an investment in excess of twenty million dollars, and its product goes to Great Britain, United States, Australia, the Argentine Republic and Cuba.

Big Forest Reserves Behind

"The Three Rivers mill has forest reserves of 3,642 square miles from which to draw its requirements of pulpwood.

"It is the policy of the company to build mills only when and where a permanent supply of pulpwood is assured for the mill. Building or expanding mills beyond the capacity justified by available timber reserves is economically unsound.

"The protection of forest resources against fire is of equal importance. Canadian International Paper Company is co-operating with governmental authorities and private associations in the matter of fire protection for its timberlands, and is engaged in much pioneer work on its own initiative. The company looks forward to a time when forest fires will be reduced to a minimum.

"In all its work in Canada, Canadian International Paper Company gives preference to residents of Canada in employing labor, letting contracts and making purchases."

New Idea in Industrial Financing Now Towards Basically Sound Methods

Looking After Interests of Investor Considered of Primary Importance — Covenants That Give Protection to Security Buyers

Report of Industrial Securities Committee, Investment Bankers' Association of America.

The history of corporate financing has been that of the simple to the complex—from common stocks only to a combination of common stocks, preferred stocks, bonds of many kinds and debentures of various sorts.

The transition from the simple to the complex in corporate financing took place much later in industrial enterprises than in railroads and public utilities, due to the feeling that industrial enterprises were not sufficiently stable to provide a proper basis for investment securities. As the more important industries became firmly established in the economic life of the country doubt as to the fitness of industrial enterprises as a medium in which savings might be safely invested has largely disappeared until now large amounts of industrial bonds, debentures, notes and preferred stocks are issued annually. Naturally, perhaps the change in the character of industrial financing was accompanied by mistakes that involved losses to investors, but those responsible for the issuance of industrial securities have in the main listened wisely and profitably to the teaching of experience.

At the present time there is certain evidence of the prevalence of basically sound views as to industrial financing. Although the return to the former plan of financing industrial enterprises wholly by common stocks is unnecessary, it is recognized that the risks inherent in competitive industrial enterprises make essential the most critical scrutiny of all the important facts of a business before adopting any other means of financing. And the so-called New England type of financing on a common stock basis entirely, while it may be unnecessary, has many attractions for the company financed and for even conservative investors. The interest now displayed by intelligent, conservative buyers in proven industrial common stocks as one means of diversifying their investments, is encouraging and tends to promote sound and logical industrial financing, and should be further encouraged.

Principles of Industrial Investment

The general underlying theory of industrial financing other than by common stocks is that the basic principle of industrial bonds and notes is that of a loan against current assets, with a secondary regard to plant and other fixed assets. It is felt that the risk inherent in fixed property used for industrial purposes properly belongs to the common stockholder. To the general principle of current assets as a basis for the funded obligations of an industrial enterprise there are important exceptions, as, for instance, (1) cases where fixed assets have a sound value independently of their industrial uses, (2) where such fixed assets are largely made up of natural resources, such as timber, coal, and the like, and (3) where a particular company has had such a long-continued dominance in its field, and such a consistent earning record, as to place beyond all reasonable doubt its ability to meet its obligations when due, and to pay its fixed charges without interruption. However, the principle of most common application is that of a loan against current assets.

Of course, like all general principles, the principle that the essential security of industrial bonds and notes is current assets presents some difficulties in its application in particular cases.

Maintaining the Ratio

When a loan is made with current assets as the basis, there is the problem of maintaining the original ratio of the loan to current assets, and of preserving the character and liquidity of the assets; and, in the event that the business does not prosper, the problem of applying the proceeds of the assets to the payment of the loan in sufficient time to avoid loss of principal and interest. In other words, the real problem is not that of appraising the security behind the loan when the loan is made, but of judging accurately how the security will fare in the years intervening before maturity. In affirming the principle that an industrial bond or note issue is essentially a loan against current assets, it is, of course, not intended to convey the idea of a specific lien upon such property, which, as is well known, is impracticable. Neither is it intended to minimize the importance of a mortgage on the fixed assets.

Protective Covenants in Bonds

Certain devices known as protective covenants are designed to aid in preserving the security and in making it available in cases of distress. In times past, too great reliance undoubtedly has been placed on the effectiveness of certain so-called protective covenants. For instance, investment bankers and investors generally have been too prone to regard the obligations of a company to maintain a certain ratio of debts to assets during the life of the security as an assurance of the continuance of that happy position. Then, again, such ratio requirements have been too drastic, and, as pointed out in committee reports for preceding years, have actually defeated the ends which they sought to accomplish. Now the fixing of ratios is made with far greater care and the real functions of such covenants are more generally recognized; namely, as a check and a warning to management in the maintenance of conservative and properly fixed ratios between debts and assets, and a proper balance between fixed and current assets.

Different Kinds of Covenants

These protective covenants are built around three general classes: First, realization of the assets before they have been dangerously impaired by losses; second, protection and application of earnings, and third, maintenance of a proper balance between fixed and current assets. Commenting on these three classes, we first consider:

I. Covenants designed to permit realization of the assets before they have been seriously impaired by losses.

This class includes the so-called publicity covenants, by which the company is required to keep its bankers and security holders currently informed of its operations through balance sheets, statements of earnings and executive announcements. It is hard to overestimate the importance of these publicity covenants. Many companies could have been saved from bankruptcy if their bankers had been kept fully and accurately informed as to their operations, and their problems frankly discussed with them. Other covenants of the same class are those requiring the use of approved accounting methods with provisions for the setting up of adequate reserve. Such covenants often provide for representation by the bankers on the board of directors. There are arguments on both sides of the question of banker representation on the board of directors. Even if representation is not thought to be advisable, intelligent and diligent scrutiny of the company's operations by bankers, based on the fullest information supplied by the company, is of prime importance.

II. Covenants designed for the protection and application of earnings.

In this class of covenants, those requiring adequate sinking funds are important. In the industrial field it is a sound rule that no debts should be incurred without a provision for actual repayment at some future date. Expansion of a company's business should other than in rarely exceptional cases, be provided for out of earnings, or by the sale of additional common stock.

Covenants restricting dividends are important. A wise financial policy dictates discretion in the payment of dividends. All industries have profitable years and unprofitable years. It certainly is the part of prudent management to make provision for the unprofitable years sure to come out of the surplus of the profitable years. From the point of view of the security holder it is perhaps fortunate that the dividend policy in the years when there are profits to be divided is usually left wholly to the discretion of the directors. Doubtless it would be wise to incorporate in the covenants a provision that would make it incumbent on the management to turn back into the property part at least of the earnings of profitable years or reduce its funded debt beyond its fixed obligatory sinking fund requirements. Such provision would tend to promote stability for the company and would better the position of the security holder.

III. Covenants designed for the maintenance of a proper balance between fixed and current assets.

Those covenants that require a certain ratio between net current assets and the funded debt are designed primarily to maintain this balance and thus always make available to the security holder the assets that are the real security for the loan. Restrictions on dividends in both good and lean years referred to above are helpful in this respect. However, in the absence of earnings, there is unusual difficulty in providing a proper remedy for the perilous situations that usually come from a violation of such covenants. The common remedy is that of giving the security holders control of the company—a task that often they are poorly qualified to undertake. Frequently such a change in control is only another example of the time-old practice of locking the door after the horse is stolen. In addition to the restraining influence of the penalty provided for the violation of these covenants, they are of value as a guide and a warning to the management. It is important that care be taken not to make the ratio in these covenants too drastic—otherwise additional necessary and advantageous financing may be made too difficult and expensive.

Earnings are All-important

In the last analysis neither assets, fixed or current, nor devices to protect them, important as they are, are comparable in importance to earnings from a security viewpoint; and the ability to wisely forecast earnings is the acid test of investment banking skill in the origination of securities. It involves a far-reaching knowledge of the industry and a sound prediction as to its future of the position of the particular company in the industry and its future, and more than any other single factor, the ability to wisely appraise management. Management to meet active domestic and foreign competition must possess, among other qualities, intelligent optimism, accurate and detailed knowledge of the particular enterprise and of the industry generally, and its probable future trend, its present and potential competition, its ability to promote and maintain a high standard of morale, and safe and far-seeing ideas of finance. Management is a changing element in business, and no enterprise can safely ignore the need of always providing for the inevitable change. There are certain more or less mechanical rules for appraising many factors of an industrtial enterprise, but to know management there are no rules to follow. It is a question of the ability to read character, and to reach sound conclusions as to certain qualities which should have been proven by actual performance.

Shawinigan's Resources Grow Another 22,000 H.P.

Another 22,000 horsepower of hydro-electric energy was added to the resources of the Shawinigan Water & Power Company with the formal opening of the power development at St. Narcisse, on the Batiscan River.

The new development has an installed capacity of 22,000 horsepower, and the power generated will feed into the Shawinigan Company, developed power site of one of the oldest power plants in the province, as the North Shore Power Company, a subsidiary of the Shawinigan Company, developed power here as early as 1893. This power was transmitted to Three Rivers, a distance of 17 miles, over the first high-voltage transmission line ever built in the British Empire.

TRADERS' FINANCE MERGES COMPANIES

Gets Dominion Charter and Will Unite Two Provincial Units

In order to carry on business under a Dominion charter, the Traders' Finance Corporation have merged the Provincial companies operating in Manitoba and Ontario under that name, and have announced a consolidation of the capital structure. The new capitalization will consist of an authorized issues of $4,000,000 of preferred stock which will be issued in the form of additions to the present shareholders. There will be two issues of common stock, one an "A" issue which will be authorized for conversion into preferred and a "B" issue of 30,000 shares. The ratio of conversion for the "A" shares will be 3 to 1 up to a certain point, and 2 to 1 thereafter.

Traders' Finance Corporation (Canada), Limited, was incorporated in Canada in July, 1923, to carry on the business of discounting acceptances arising from the sale of automobiles, wholesale and retail, in the Provinces of Ontario, Quebec, and the Maritime provinces. It is affiliated with the Traders' Finance Corporation, Ltd., of Winnipeg. The outstanding capital stock of the Toronto company is 15,000 shares of common and $750,000 of 7 per cent. cumulative preferred. The capitalization of the Winnipeg company is 15,000 shares of common and $840,300 of 8 per cent. preferred. The common stock in the old and new companies has no par value. An underwriting group which consists of directors of the company has been formed to take over any of the preferred shares which are not taken up by the shareholders. According to W. W. Evans, president of the Toronto company, the position of the shareholders remains unchanged, the holders of Winnipeg preferred will still get an 8 per cent. stock and the Toronto shareholders a 7 per cent. return.

FOREIGN EXCHANGES

New Belga Makes Bow to World

Conducted by S. J. ZACKS.

Gradually the countries of devastated Europe whose currencies have been depreciated are being rehabilitated. One by one they fall in line and step by step, under the severest and most complex difficulties, the end is achieved. This week, formal announcement of stabilization of the Belgian franc at 2.78 cents was made and of the introduction of a new unit of currency, the "belga," to be used in settlement of foreign trade, with a par value of 13.90 cents, as opposed to the former par of the original franc of 19.30 cents. Five of the old Belgian francs may be exchanged for one of the new "belga." A stabilization loan of $100,000,000 has been arranged, establishing foreign credits abroad.

It is interesting to note that a new unit of currency has been brought in, as Belgium went on gold exchange standard. In stabilizing the franc, the authorities had the option of tying the franc to the dollar or the pound—the currencies on a gold basis—or to a gold unit of definite value of their own creation. They chose the latter.

Belgium has attempted stabilization before, but it proved a costly failure. The steps taken were not well worked out and the speculative interests were able to step in and make huge profits. The present scheme, which really began to see light with the granting of dictatorial powers to King Albert, has been scientifically planned and carefully guarded. Many had been speculating as to the figure at which the Belgian franc would be stabilized. It became evident a few months ago that the Belgian franc would be stabilized independent of the French franc, when each of the currencies moved in its own direction, after having moved together for several years.

The new stabilization plan is likely to prove popular. It has the support of the Belgian people as well as that of the foreign bankers. Recently, both the Italian lire and French franc have moved into higher grounds. The lire went over 4.50 cents this week, which is the highest point attained in over two years, while the French franc went to 3.07, cents, the highest point since last August. The rise in the value of a currency is inevitably accompanied by deflation and falling prices. The Belgian franc has not shared the recent advance of its former associates; Belgian business, therefore, is not likely to be impeded.

The Italian lire, which had a phenomenal advance to 4 1-2 cents this week, suffered a severe setback yesterday, when it lost a quarter of a cent. Selling was caused, it is said, by profit taking. It is also thought that the Italian government, which had gone short of the franc, since the rapid rise undoubtedly would have a very depressing effect on business.

U. S. funds again weakened to 9-64 per cent. discount and, at present, it is thought they will move lower until the first of the month.

Brazilian milries were strong, having recovered to 13.85 cents. Spanish peseta and Japanese yen continue strong.

NEW YORK FUNDS

			Last year	
	High	Low	High	Low
Oct. 21	5-64	3-32	11-64	11-64
Oct. 22	5-64	3-32	11-64	11-64
Oct. 23	3-32	3-32	11-64	3-16
Oct. 25	3-32	7-64	3-16	3-16
Oct. 26	3-32	1-8	3-16	3-16
Oct. 27	9-64	5-32	11-64	3-16

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Oct. 21	4.84½	2.98¼	4.35¾
Oct. 22	4.84 7/16	2.99¾	4.33¾
Oct. 23	4.84½	3.02	4.35
Oct. 25	4.84 7/16	3.07	4.47¾
Oct. 26	4.84 7/16	3.05¾	4.45½
Oct. 27	4.84⅜	3.04	4.29¼

FOREIGN EXCHANGE

Par		Oct. 20	Oct. 27
19.30	Italian	4.32	4.29
32.45	Brazil	13.63	13.83
23.82	German	23.80	23.75
19.30	Belgium	2.83¾	2.78
84.85	Japan	48.85	48.89

THE NATION'S BUSINESS

(Continued from page 1)

ment should benefit everyone in the country."

The Free Press says "The Dominion revenues have benefited from the increase of business in the country and in spite of the reductions of the income tax and in the tariff at the last session, the revenue since the beginning of the present financial year has been greater than last year."

It is easy to understand why Dominion revenues would rise following such changes as were made in the income tax and the tariff at the last session, apart from the fact usually recognized that income tax reductions always stimulate business and enable the people to produce more income and therefore provide more incomes to be taxed. This is not the whole explanation though in the case of Canada. A very large proportion of the larger incomes in Canada are bearing heavier income taxes now than ever before. Tax reduction was not tax reduction all along the line. Tariff cuts often have the effect of increasing income. A low tariff stimulates imports which are dutiable, while a higher tariff stimulates home production which is not.

SOUTHERN CANADA POWER COMPANY LIMITED

Common Dividend No. 7

A DIVIDEND of One Dollar ($1.00) per share on the NO PAR VALUE COMMON STOCK OF SOUTHERN CANADA POWER COMPANY LIMITED has been declared, payable November 15th, 1926, to shareholders of record October 30th, 1926.

By order of the Board

L. C. HASKELL,
Secretary-Treasurer.

Montreal, October 22nd. 1926

MONTREAL LIGHT, HEAT & POWER CONSOLIDATED

41ST DIVIDEND

Notice is hereby given that a Dividend of Fifty Cents per share on the No-Par-Value Common Shares of the Company, presently issued and paid-up (being at the rate of Two Dollars per annum), for Quarter ending October 31st, 1926, has this day been declared to Shareholders of record October 31st, 1926, on the Montreal and London, England, registers.

Dividend cheques will be mailed to registered shareholders November 15th, 1926.

By Order of the Board,

C. S. BAGG,
Secretary-Treasurer.

Montreal, 18th October, 1926.

NOTICE OF DIVIDEND

Famous Players Canadian Corporation, Limited

Notice is hereby given that a dividend of Two Dollars ($2.00) per share for the quarter ending the 1st of November, 1926, has been declared upon the First Preference Stock of the Company, payable the 1st day of December, 1926, to shareholders of record, Saturday, the 30th day of October, 1926.

By order of the Board,

N. L. NATHANSON,
Managing Director.

Dated at Toronto, this 22nd day of October, 1926.

Vipond Consolidated Mines, Limited

(No Personal Liability)

Notice is hereby given that a special meeting of the Shareholders of Vipond Consolidated Mines, Limited, (no personal liability), will be held in the Board Room of the Trusts and Guarantee Company, Limited, 302 Bay Street, Toronto, on Wednesday, the twenty-fourth day of November, 1926, at the hour of 12 o'clock noon, for the purpose of considering, and, if deemed advisable, ratifying and confirming By-law No. 30, passed by the Directors on the 15th day of October, 1926, authorizing an agreement for the purchase of all the property and assets of British Porcupine Mines, Limited (no personal liability), for 250,000 (two hundred and fifty thousand) fully paid and non-assessable shares of Vipond Consolidated Mines, Limited, (no personal liability), and for the purpose of transacting such other business as may be brought before the meeting.

Dated at Toronto this 23rd day of October, 1926.

By order of the Board,
R. S. DENING, Secretary.

INTERNATIONAL PAPER COMPANY

New York, September 29, 1926.

The Board of Directors have declared a quarterly dividend of Fifty Cents (.50) a share on the Common Stock of this Company, payable November 15th, 1926, to common stockholders of record at the close of business November 1, 1926.

Checks will be mailed. Transfer books will not close.

OWEN SHEPHERD,
Treasurer.

"Better"

Kennedy Castings

From your own patterns or to your drawings, in all metals, cast iron up to 20 tons; in cast steel up to 3 tons. Our pattern shops are at your disposal.

The Wm. Kennedy & Sons Limited
OWEN SOUND, ONTARIO.

Representatives at Cobalt, Toronto, Montreal, Halifax, Winnipeg and Vancouver.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter A BONUS of TWO per cent. has also been declared for the year ending 30th October, 1926, both payable on and after WEDNESDAY. the FIRST day of DECEMBER next, to Shareholders of record of 30th October, 1926

By order of the Board.

FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 19th October, 1926.

THE CANADIAN BANK OF COMMERCE

Dividend No. 159

Notice is hereby given that a dividend of three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 30th November, 1926, together with a bonus of one per cent. payable at the Bank and its Branches, on and after Wednesday, 1st December next.

The Transfer Books of the Bank will be closed from the 16th November to 30th November next, both days inclusive.

By Order of the Board.

S. H. LOGAN,
General Manager.

Toronto, 15th October, 1926.

The Royal Bank of Canada

DIVIDEND No. 157 AND BONUS

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, also a bonus of two per cent for the year ending November 30, 1926, and that the same will be payable at the bank and its branches on and after Wednesday, the first day of December next, to shareholders of record at the close of business on the 30th day of October.

By order of the Board,

C. E. NEILL,
General Manager.

Montreal, Que., October 12, 1926.

DIVIDEND NOTICE

Massey - Harris Company Limited

Preference Stock Dividend No. 4

Notice is hereby given that a Dividend of 1¾% on account of dividends for the present fiscal year has been declared on the 7% cumulative preference stock of the Company.

The above dividend is payable on and after the fifteenth day of November, 1926, to shareholders of record at close of business on the sixth day of November, 1926.

By order of the Board.

C. N. APPLETON,
Secretary.

Toronto, October 18th, 1926.

Wayagamack Pulp & Paper Company Limited

NOTICE

Notice is hereby given that pursuant to the Supplementary Letters Patent dated 20th December, 1920, the holders of the Company's capital stock are required to surrender their stock certificates to the Company's Transfer Agent, the Quebec Savings & Trust Company, Transportation Building, Montreal, for exchange for certificates containing a statement of the capital stock of the Company as changed by such Supplementary Letters Patent.

The Directors have fixed the first day of December next as the date for the surrender of Common share certificates for exchange and the holders of the Company's Common shares will on and after that date be entitled to receive a certificate or certificates representing two fully paid shares of Common stock without nominal or par value for each fully paid Common share of the par value of $100 represented by the certificate or certificates surrendered by them.

By order of the Board.

D. L. ADAMS,
Secretary.

Three Rivers, Que.,
21st October, 1926.

SALESMAN WANTED

Party to sell stock of a Textile Mill in Ontario; making specialties. A new factory, business well established and a steady development assured. This company is organized and in operation; stock to be sold on a strictly commission basis. Reference required.

Address: Box 302, Financial Post, Toronto, Ont.

COOKSVILLE SHALE BRICK COMPANY LIMITED

DIVIDEND NOTICE

A Quarterly Dividend of One Per Cent. (1%) on the Preference Shares has been declared, payable December 15th, 1926, to Shareholders of record at the close of business on November 30th, 1926.

By order of the Board.

WM. TAYLOR,
Secretary.

Montreal, Que., 22nd October, 1926.

Canadian Mining News

THE FINANCIAL POST

Vol. XX. PUBLICATION OFFICE: TORONTO, OCTOBER 29, 1926 No. 44

Senate Letterhead Used to Aid Sale of Speculative Mine Shares

Important Issue in Recent Federal Election Again Crops Up

TWO SENATORS DIFFER

Letter of Introduction Made out in Blank Bears Name of Senate Member

Efforts to sell more stock to shareholders of Fiske Gold Mines are apparently active. They seem to have the backing of Senator Girroir, which again brings sharply into prominence the question of the propriety of public men using their official positions to influence the purchase of speculative stocks.

The Financial Post is in possession of a letter bearing the name of Senator E. L. Girroir, and addressed to shareholders of Fiske Gold Mines, written on stationery carrying the crest of the senate of Canada. It is a letter of introduction, introducing Mr. ...., (no name being filled in), but presumably a salesman offering shares of Fiske Gold Mines.

The letter gains significance from the fact, supported by evidence from various sources, that there is a "reload" of Fiske Gold Mine shareholders going on. It is the second this year. Letters of inquiry to The Financial Post from readers, asking if they should purchase more stock, as they are being urged to do, revealed the efforts to place more stock with present shareholders. Literature received from readers of The Post would indicate that a keen effort is being made to sell additional shares, and that the letter of Senator Girroir, director of Fiske Gold Mines, is being used by salesmen selling this stock.

The letter of introduction, as reproduced, is a carbon copy, but the name is an original. It is made out in blank. The salesman presenting it could fill in any name he wished. This letter was not even filled in.

The letter signed with the senator's name mentions the fact that the senator had written a previous letter; that the salesman has authority to accept subscriptions in Fiske Gold Mines, according to respective allotments. It is dated Sept. 27. On Oct. 7, the senator mailed shareholders another letter addressed "To the shareholders of Fiske Gold Mines, Ltd." The first paragraph reads:

"Following up my former letter to you, I am glad to be able to send you very important and cheering news, which is taken from the report received from Edward Horser, (it should be Orser) mining engineer and geologist in charge of exploration and development work on all Fiske properties, dated Sept. 28, 1926."

The letter then proceeds with what looks like a detailed report on the various properties of the company as Mr. Orser found them when he took charge. The letter winds up as follows:

"Outside our No. 1 group, which the new engineer says he hasn't touched yet, we have two gold mines in the making in group 3, one on group No. 2, and one on group No. 4.

"Yours very truly,
"E. Lavin Girroir,
"Director of the Fiske Gold Mines, Ltd."

These facts would seem to indicate that Senator Girroir has written two letters to shareholders of Fiske Gold Mines, one before he wrote the letter of introduction on Sept. 27 and the other on Oct. 7, from which we quote dealing with the Fiske Gold Mines. These letters, judging from the letter of Sept. 27, seem designed to encourage shareholders to take up further allotments of stock in Fiske Gold Mines and which stock is, presumably being sold by Philip's and Company. as the senator's letter says that the Mr. ...., being introduced by the letter, represents Philip's and Company.

Two questions arise: Who are Philip's and Company, and what stock have they to offer?

The Financial Post wired its Ottawa representative to look up Philip's and Company. He wired back as follows:

"Philips and company not listed as tenants at 74 Sparks Street. Indirectly, I learn they are associated with Gordon D. O'Reilly and Company, bankers, of that address, who, I understand, do a mining business."

The letter head of Fiske Mines as reproduced shows that the office of the company is located at 74 Sparks Street, and that Phillip O'Reilly, father of Gordon P. O'Reilly, is a director of Fiske Gold Mines. Whether there is any connection between Phillip O'Reilly and Philip's and Company is not known.

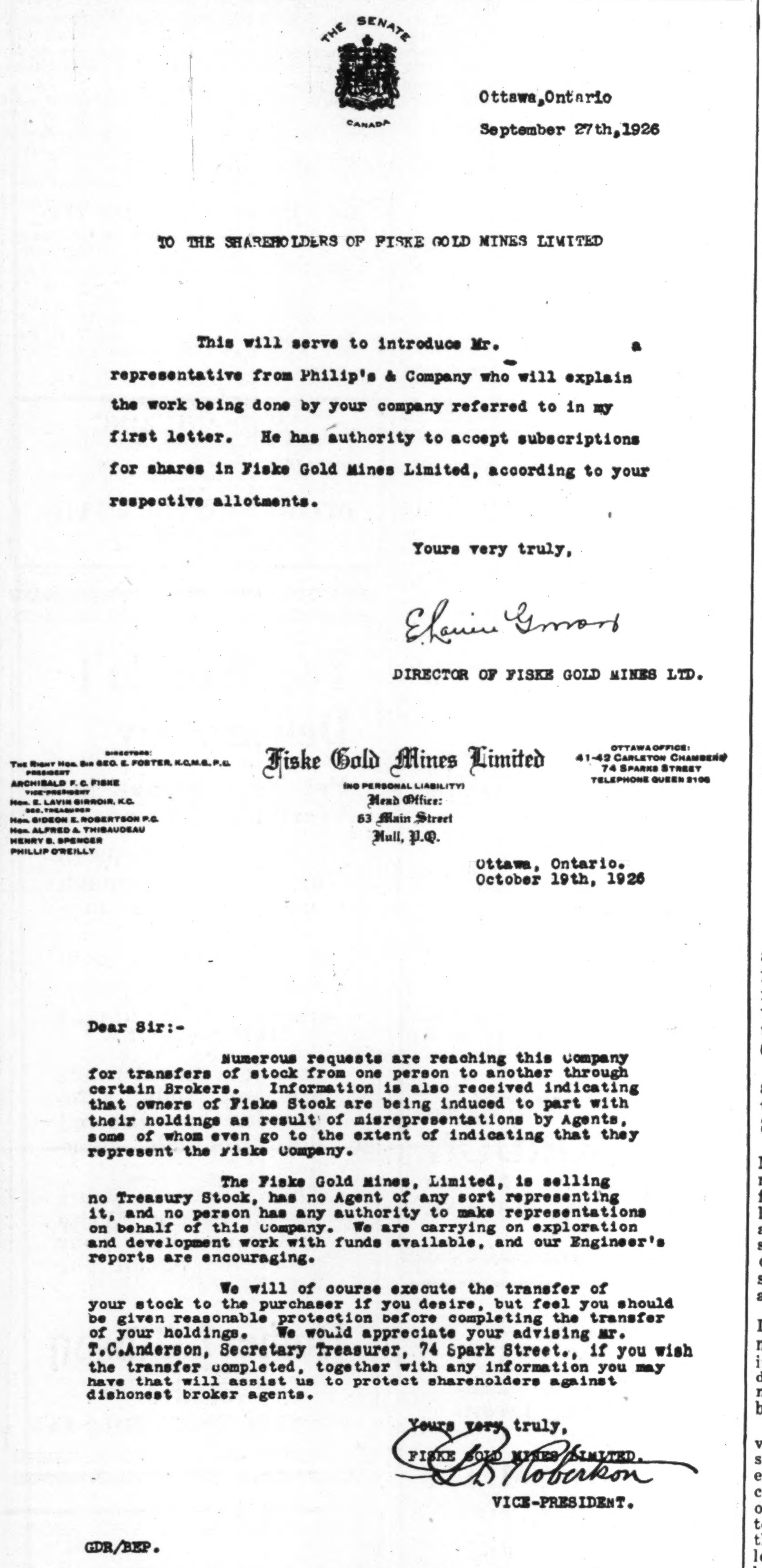
With these facts in mind, attention is called to the second letter reproduced which is written on Fiske Gold Mines stationery and signed by another senator, Hon. Gideon Robertson, vice-president of Fiske Gold Mines. The latter relates to a sale of stock made by a shareholder. The name of the shareholder to whom the letter was written was covered up when the photograph was taken. The letter is a carbon copy with the name typed in. Evidently there has been a number of sales of shares and the Robertson letter would appear to be designed to halt sales, if that is possible, by delaying transfers.

For the moment the chief concern is the second paragraph of the letter. It will be found to read:

"The Fiske Gold Mines, Limited, is selling no treasury stock, has no agent of any sort representing it, and no person has any authority to make representations on behalf of this company. We are carrying on exploration and development work with funds available, and our engineer's reports are encouraging."

With this assertion from the vice-president, the question arises, what stock has Senator Girroir been writing shareholders about, and which representatives of Philip's and Company have been selling.

Back last summer a Toronto concern, Daniels and Company, are reported to have had men out trying to sell additional shares to holders of Fiske Gold stock. The effort of Philip's and Company would seem to be the second "re-load." It may be, of course, that Philip's and Company had a deal with the Fiske for underwriting certain shares and which may have expired before Senator Robertson wrote his letter of Oct. 19th. If Philip's and Company did not have such an agreement, the question to be answered in the light of Senator Robertson's assertion, is: "What stock was Senator Girroir writing about when he said in the letter of introduction, written on a senate letterhead, he has authority to accept subscriptions for shares in Fiske Gold Mines Limited, according to your respective allotments, and which this thus introduced representative of Philip's and Company, was selling?"



THE SENATE
CANADA

Ottawa, Ontario
September 27th, 1926

TO THE SHAREHOLDERS OF FISKE GOLD MINES LIMITED

This will serve to introduce Mr. a representative from Philip's & Company who will explain the work being done by your company referred to in my first letter. He has authority to accept subscriptions for shares in Fiske Gold Mines Limited, according to your respective allotments.

Yours very truly,

E. Lavin Girroir

DIRECTOR OF FISKE GOLD MINES LTD.

DIRECTORS:
THE RIGHT HON. SIR GEO. E. FOSTER, K.C.M.G., P.C.
PRESIDENT
ARCHIBALD F. C. FISKE
VICE-PRESIDENT
HON. E. LAVIN GIRROIR, K.C.
SEC.-TREASURER
HON. GIDEON E. ROBERTSON P.C.
HON. ALFRED A. THIBAUDEAU
HENRY B. SPENCER
PHILLIP O'REILLY

Fiske Gold Mines Limited
(NO PERSONAL LIABILITY)
Head Office:
53 Main Street
Hull, P.Q.

OTTAWA OFFICE:
41-42 CARLETON CHAMBERS
74 SPARKS STREET
TELEPHONE QUEEN 2106

Ottawa, Ontario.
October 19th, 1926

Dear Sir:-

Numerous requests are reaching this Company for transfers of stock from one person to another through certain Brokers. Information is also received indicating that owners of Fiske Stock are being induced to part with their holdings as result of misrepresentations by Agents, some of whom even go to the extent of indicating that they represent the Fiske Company.

The Fiske Gold Mines, Limited, is selling no Treasury Stock, has no Agent of any sort representing it, and no person has any authority to make representations on behalf of this Company. We are carrying on exploration and development work with funds available, and our Engineer's reports are encouraging.

We will of course execute the transfer of your stock to the purchaser if you desire, but feel you should be given reasonable protection before completing the transfer of your holdings. We would appreciate your advising Mr. T.C.Anderson, Secretary Treasurer, 74 Spark Street., if you wish the transfer completed, together with any information you may have that will assist us to protect shareholders against dishonest broker agents.

Yours very truly,
FISKE GOLD MINES LIMITED.
G. D. Robertson
VICE-PRESIDENT.

GDR/BEP.

Above are photographs of two letters, both bearing the name of senators. The top letter, bearing the name of Senator E. L. Girroir, K.C., is one of introduction with the name blank, introducing salesmen of Philips & Co., Ottawa, who are evidently selling Fiske Gold Mine stock, of which company the senator is a director. Philips & Co., as far as can be learned, have their office at 74 Sparks St., Ottawa, which is also the address of Fiske Gold Mines. Letter No. 2, also bearing the name of a senator, and vice-president of Fiske Gold Mines, says, Fiske Gold Mines is selling no stock and has no agent of any sort representing it, which raises the question as to what stock Senator Girroir is referring to.

ORE RECEIPTS AT TRAIL

Ore receipts at Trail Smelter from October 8 to October 14 inclusive and from 1st January, 1926, to date, in tons:

	Week	Year to Date
Company's mines	7,146	324.827
Other mines	2,241	127,766
	9,387	452,593

BLUE QUARTZ VEIN SHOWS HIGH VALUES

Interesting Discovery on Woman Lake Group May be Diamond Drilled

A blue quartz vein showing a length of hundreds of feet, and carrying very high values has been opened up on the Ontario Woman Lake group at the Narrows of Woman and Narrow Lake. This is on the property where an interesting galena vein was previously discovered. The blue quartz vein is on the strike of the Bathurst find and 4 miles east. At one place it has been opened out for at least 30 feet. The galena vein carries sulphides, iron pyrites and some values in gold.

The Cowan is having Reid and Ryan, who drilled the Howie, look over the property with a view to diamond drilling it. He will also put a hole down on Medicine Rock property.

Gold Mining Revival In Nova Scotia on

Revival of gold mining in Nova Scotia, is under way, Metals Mining and Smelting Corporation of Canada, Ltd., is operating the Boston Richardson, Montague and other properties in Nova Scotia. Properties are being operated at Goldenville, Tangier, Mount Uniacke, Cochrane Hill, Brookfield, the new Scheelite Mines at Waverly and the concentration operations in the treatment of the enormous tailing dumps at the Boston Richardson Mines in Goldboro. Mining operations will be shortly commenced on the Montague Gold Mining Properties at Montague, Halifax County, and the Boston Richardson properties at Isaac's Harbor, Guysboro County.

MOND CLOSES PLANT

Mond Nickel is closing down its refinery at Clydach, Wales, because of the high price of foreign coal. The 1,000 men thrown out of work will be paid 10s. per week.

Mining Camps Present Opportunities for Trade

Of Canada's $224,000,000 mineral production in 1925, 1% went to various provinces in taxes, 50% in wages and the remainder in camp supplies and mining equipment, but practically all of it eventually gets back into regular merchandising channels.

In discussing the development of mining in Canada in relation to its merchandising possibilities, at Montreal recently, Capt. J. G. Ross, consulting mining engineer of Milton Hersey Co., gave the above interesting figures. He pictured mining camps as good prospects for business.

The mining industry is now the third largest in the Dominion, carrying a total investment to date of $774,000,000 with an additional $50,000,000 to $100,000,000 going into the industry each year.

Each mine is a camp, he explained, which is really a self-contained settlement as is any town or city. The inhabitants all draw regular pay, are good spenders, and therefore, are excellent selling prospects for all kinds of goods and articles entirely exclusive of the huge opportunities the industry offers for the sale of regular mining equipment and camp supplies.

Canada's mining industry will receive at least Empire-wide advertising next summer, Captain Ross announced, when mining engineers and others directly interested in mining will come to Canada in August for the second Empire Mining Congress from all parts of the British Empire. In addition to meeting in Montreal, a tour of inspection of all Canada's principal mining camps and projects will be undertaken.

CANNOT CLASS FISKE GOLD AS MINE IN MAKING—PROSPECT

Only Surface Work Done and New Engineer Must Start All Over

A Fiske Gold Mines circular, dated Oct. 7, and signed with the rubber stamp signature of Senator Girroir, as director of Fiske Gold mines says:

"Outside of our No. 1 group which the new engineer says he hasn't touched yet, we have two gold mines in the making in group No. 3, one in group No. 2 and one in group No. 4."

Fiske Gold Mines is still much of a prospect and sound opinion is that it is far from having a mine in the making as the details published along with this assertion of the senator and taken from the report of Edward Orser, mining engineer, show.

The main remarks of the engineers about these groups and taken from the Orser report as published in the Senator's letter follows:

"Group 3. The most southerly claim No. 344 lies almost wholly in the sedimentary area, but unfortunately, except for a small number of outcrops is overlain with heavy overburden. There are a number of narrow quartz veins to be seen paralleling the strike of the shistocity of the conglomerate and mica schist found near the lower boundary and these may carry gold.

"Claim No. 343 looks interesting and I have found a band of rhyolite well mineralized with fine sulphides crossing near the north boundary. This may develop into something of importance near the contact with the adjacent basalts and andesites.

"Group No. 4. The dip needle shows very interesting readings along the shore of the lake and also on the southern part of the group. A piece of float carrying free gold was picked up near our temporary camp. This is vein matter and may or may not come from the immediate neighborhood. We have located a quartz vein near the western boundary and also upon the lake shore about 600-ft. distant and there may be some connection between the float and the vein which further work will determine.

"Group No. 2. I have found a strong shear zone upon the north of the Demers claim which will certainly pay to work upon and this shall certainly receive attention as soon as we are able to start the exploration. I have also found rhyolite and basalt outcrops upon the south boundary of the Provincher claim and these carry some sulphides. There is also a strong quartz vein crossing into the property near our No. 2 post of the Demers which will be opened up in due course. I shall also open up by trenching and drilling and blasting the favorable areas that I have outlined heretofore on claims 312, 343, 344 on Group 3. The strong shear zone on which considerable work was done heretofore will receive more attention.

"This is where the free gold specimens were taken from. I have not seen any myself so far. The shear zone, is however, so strong and pronounced and carries sulphides of iron and copper in such a marked degree that work is warranted. We have plenty of favorable ground located to enable us to proceed with its exploration systematically."

The rest of the report is taken up with camp and road plans and camps, indicating that a great deal of work will be necessary in fixing camps, roads, etc. In fact the engineer says, "in taking over this work I have in reality had to make a fresh start all round."

From the above remarks of the engineer it is clear that only a limited amount of surface exploration has been done on the properties, and that considerably more will have to be done before even the hunt for ore underground will be justified.

GOLD OUTPUT FOR 9 MONTHS LOWER

Porcupine Shows Falling Off While Kirkland is Up Over $1,000,000

Nine months gold production of 12 Northern Ontario gold mines shows $700,000 increase over the same period of 1925. Porcupine is down $400,000 Kirkland Lake up $1,200,000. Hollinger's method of reporting production on a 4-week basis makes the figures subject to revision:

Source and Period	Ore milled, tons	Total value Cr. Bullion $
Porcupine—		
Year 1925	3,016,178	24,886,615
Aug., 1925	263,119	2,267.095
Aug., 1926	293,477	2,032,226
Sept., 1925	239,298	2,109,860
Sept., 1926	268,467	2,039.031
9 mos., 1925	2,235,718	18,489,943
9 mos., 1926	2,353,874	18,017,266
Kirkland Lake—		
Year 1925	383,235	5,403,289
Aug., 1925	32,371	434,109
Aug., 1926	43,542	637,924
Sept., 1925	26,375	451,912
Sept., 1926	41,516	613,820
9 mos., 1925	274,637	4,029,951
9 mos., 1926	359,526	5,211,941
Miscellaneous—		
Year 1925	131	5,641
9 mos., 1925	......	3,495
9 mos., 1926	515	2,437
Total, All Camps—		
Year 1925	3,399,544	30,295,545
Aug., 1925	295,490	2,701,204
Aug., 1926	337,019	2,670,150
Sept., 1926	265,673	2,561,272
Sept. 1926	309,983	2,652,851
9 mos., 1925	2,510,350	22,523,389
9 mos., 1926	2,713,915	23,231,644

POWER IS ASSURED CENTRAL MAN. CAMP

Line Will Almost Make Possible Supply for Red Lake Camp

Electric power for Central Manitoba with the possibility that power will also be available for Red Lake in the spring, will result from a deal, which it is believed has been concluded between Central Manitoba Mines and Manitoba Power.

No official announcement has been made as yet but it is understood that the details have been worked out and that a contract will be signed. Central Manitoba, it is said, will build the power line and the route will be such that it will be the nearest possible to Red Lake. In fact, it is understood that tentative proposals have been made to Jack Hammil that he should draw his power this way when he is ready to undertake the development of the Howie.

BASE METAL PROSPECT

Montreal capitalists have become interested in the mineral deposits of silver, lead and feldspar recently discovered at Long Point, 15 miles north of Gananoque, Ontario, not far from the St. Lawrence River. They have taken a lease of 200 acres of land on the property of David Townsend and James Burns at that place. Men have been set to work, and already a vein has been found that gives bright promise of ore of a paying grade.

HEAVY MINE SHARE TRADING CONFINED TO A FEW ISSUES

Million Share Day Marked Past Week—Much Discussion on Outlook

PRICES MOVE SHARPLY

Profit Taking Followed — Silver Price Shows a Tendency to Recover

The mining market took quite a spurt during the week, the feature being the recording of transactions totalling over 1,000,000 shares in one day. This is the first time in a couple of years that this level has been reached. Four stocks contributed the bulk of the trading, Argonaut, which has had a remarkable rise, doubling its price in the last couple of weeks; Laval Quebec, which sold up from 22 to 34; Barry Hollinger which has moved up sharply in the last week or so and Consolidated West Dome, which, despite a tremendous amount of trading, has remained almost stationary.

Following such rises in price there naturally followed a material amount of profit taking which the market was not in a position to absorb and naturally there came sharp reactions.

There was a material interest in practically all the good stocks. A feature was the fact that Dome sold back to $10. It has been the feeling for some time that when the bears on this stock changed their market position, some better news would be forthcoming and the price would react upwards. Now attention is being focused on the statement that Mr. De Pencier pointed out that Dome had two or three or four years' ore besides had a strong cash position. It begins to look as if the change has come.

The silver stocks have been holding firm. The worst seems to be over in the silver market and two or three short-lived spurts upward during the past week in the price of silver, might indicate that some of the shorts were covering. Most of the other stocks were firm, except perhaps Kirkland Lake Gold which has been weak. Teck Hughes reached $5 for the first time.

There is much talk of a continued upward market. Plenty of good news is coming out from the mines so that if the stocks move at all, it should be upward.

GRAZELLE MEETING

A meeting of Grazelle mines will take place in Haileybury next week.

WRITE FOR OUR MARKET LETTER

F. J. CRAWFORD & CO.
F. J. CRAWFORD
S. J. McGRATH
MEMBERS STANDARD STOCK AND MINING EXCHANGE
STOCK BROKERS
10 JORDAN STREET
TORONTO, CANADA
Cable Address "Service"
PERSONAL SERVICE

Lower Cost—Safe Service
While you are mining — we look after the routine
Experts in Mine Accounting
Stock Registration — Stock Transfers — Secretarial
Duties — Trustees — Mine Insurance
THE VENTURA CORPORATION, LTD.
FINANCIAL AGENT TRUSTEE MINE INSURANCE
67 Yonge Street Toronto - 2

DRAPER DOBIE & CO
Members Standard Stock Exchange
NORTHERN ONTARIO BLDG.
Phone Adel. 2324 TORONTO

P&P
MINING STOCKS
We offer a complete brokerage service based upon experience gained during more than half a century for the purchase and sale of all securities. Correspondence invited. Direct wire connections.
PELLATT & PELLATT
LIMITED.
244 Bay Street Toronto
EST. 1866

GOLD HILL HAS OPENED UP WIDE NEW ORE ZONE

Lateral Work Will Soon Put Mine in Shape for Mill Plans

BOSTON CREEK, ONT.—While crosscutting to the north of the shaft to intersect another vein shown on surface, Gold Hill Mines cut into a schisted zone recently, which is regarded as an important discovery in the work of depth exploration.

The zone was encountered about 40 feet from the shaft station, and is from ten to twelve feet wide. There are wide sections of quartz with heavy mineralization, and free gold was found in the shaft. While drifting may prove that this is a well-defined vein which does not appear on the surface, D. H. Angus, general manager, is of the opinion that the vein for which the crosscut was being driven lies further to the north. He is extremely pleased over encountering what appears to be a sign of the widening and multiplication of Gold Hill ore bodies and prefers to withhold his decision as to the real nature of the discovery until some further work has been done on the zone.

The loosening of the vein zones as shown at this level is in line with what has been anticipated by engineers who have watched the development of the main vein of the mine from surface to 800 feet. The pay streak of quartz in this vein has held up remarkably and drifting in both east and west faces at the 800 level have shown a most satisfactory mining outlook.

Gold Hill has had a succession of high assays at various levels, mixed, of course, with lean spots that occur in any mine. But the lean spots have been more than made up for by what appears to be a lengthening of the ore shoots opened up at the 300 foot level so that good ore is showing at practically every point where the vein was cut on the five levels below.

Mr. Angus' attitude has been to state that the mine had commercial ore on all levels. And this applies even at the upper levels where the pay streak is narrow. The assay plans to the 300 foot level show averages that will provide for a stoping width, and the impression that narrow veins cannot be mined is being proved largely a fallacy. In one mine at Grass Valley, Cal., more than $20,000,000 in dividends have been paid from one property the veins in which averaged about 18 inches.

Gold Hill's halt in shaft sinking at the 800 foot level has given the management a chance to do some drifting on the main vein and also to do some underground exploration to locate other veins showing on surface. At the 300 foot level a crosscut brought operations into a wide low-grade section of ore, which eventually will be worth mining. There are numerous veins to be sought. Owing to the nature of the property, which falls a sheer 200 feet to the Blanche River on the west, the exploration of certain veins on the surface would not have been satisfactory. But the work done two summers ago on the adjoining Hilltop property under the direction of George Tough was successful in showing up 29 veins, some of which gave high assays. A number of these veins were traced into the Gold Hill property, and will probably be found when further exploration work is done.

Work will continue laterally until the new plant is installed about the first of the year. The management is securing valuable information, and will be able, it is expected, to block out a large amount of ore. Various estimates have been made as to the probable ore at Gold Hill, but Mr. Angus has not made any estimate nor will he do so until he has drifted on a number of levels and actually ascertained the extent of shoots which were some 400 feet in length at 300 feet, the one level at which any extensive amount of drifting was done.

The property has been visited by many engineers within the last six months. With the actual ore showings at Gold Hill, and the promise given through the early work at Hilltop and other properties, the mining fraternity appears to have little doubt that Boston Creek will become one of the important camps of the North.

Announcement of mill plans is expected shortly.

Silversmith Net Profit, Third Quarter, $50,464

SANDON, B. C.—Silversmith mines, situated at Sandon, B. C., obtained a net profit of $50,464 from its operations in the quarter ended August 31. The figures are contained in a report to stockholders that accompanied cheques for the quarterly dividend disbursed from the Spokane office. The gross receipts were $120,838 for the August quarter, the operating expenses $59,342, the freight and treatment charges $25,835, the taxes accrued $5,361 and the depreciation $5,670.

Of the ore mined there was 8,757 tons. The smelter paid for 129,872 ounces of silver at 66c. an ounce, 773,539 pounds of lead at 5.40c. a pound, and 455,587 pounds of zinc at 4.42c. a pound. The report states that "mining has been done on the 800, 900, 1,000 and 1,100-ft. levels. A shortage of power, due to the dry season, interfered with operations and reduced earnings for the quarter. Recent developments disclosed a new ore shoot on the 800-ft. level between the Silverton and Slocan Star ore shoots. This ore shoot is being opened on the 800 and has been found on the 900."

DEAL FOR ABITIBI

It is believed that a deal is pending whereby some U. S. people will take a hand in the development of Abitibi Mines, Lightning River area. Details of the negotiations are being withheld for the time being. Diamond drilling on the property has revealed some interesting

SAVANT LAKE MAY RIVAL RED LAKE, SAYS PROSPECTOR

Savant Lake, north of the Transcontinental Station of Bucks, Ont., 18 miles east of Sioux Lookout is the scene of new gold rush. A prospector who knows the country thoroughly wires from Winnipeg that from appearances, there is likely to be a rush equal, if not bigger than Red Lake.

The area is about 20 miles north of the C. N. R. and many of the prospectors, who figured in the Rouyn and Red Lake rushes are already on the ground.

START SPUR LINE TO NORTH DUPRAT

Interesting Development of Waite-Amulet-Duprat and Smelters Watched

"Tonnage is already in sight to warrant our doing this," said C. T. Young, C.N.R. official, in regard to the starting of a spur line West from the main Rouyn line to serve Waite-Montgomery, Amulet, Duprat, Area and perhaps later to dip down to Nipissing and Consolidated Smelters, also in Duprat Township.

This section of Duprat is commanding much attention. Waite and Amulet are the leaders. Duprat is coming up and the electrical survey which the company has contracted for, to be followed by diamond drilling, will reveal the hidden wealth of the attractive looking deposits that are indicated by surface showings.

Consolidated Smelters are drilling on the North part of their property, almost on the boundary line dividing Duprat from them, and Smelters will use the water from the lake on Duprat property and in the immediate vicinity, of which Jos. Houston, engineer in charge of Duprat believes that a large ore body will be found. Developments obtained from Smelters will have a very big effect on Duprat. In the meantime the results from the surface work on Duprat are proving the property up, the ore body now having been traced for more than 500 feet for length.

TOUGH OAKES LOOKS GOOD GEOLOGICALLY

Rumors of Finding Commercial Ore East of Dyke Set at Rest

In view of the recent rumors going the rounds in regard to Tough Oakes Burnside developments at Kirkland Lake and the consequent market movement in the shares, the statement of progress at the mine, issued by J. Y. Murdock, vice-president, is timely and of value to those interested in the venture in sizing up its present position.

The rumors going the rounds have been to the effect that excellent ore had been opened up east of the dyke. This is about the most desired development in regard to this mine and it is possible that the wish was the father of the thought.

Mr. Murdock's statements sets these rumors at rest. Commercial ore has not been opened up east of the dyke. Geographically, the outlook is improved but that is all. Mr Murdock's statement follows:

"Since the annual meeting mine development has not opened up any ore body at the lower levels, which could be judged to be important enough to have any influence on the future prospects chiefly because the development campaign has been largely one of shaft-sinking and cross-cutting toward areas where it is thought that there are possibilities of finding the downward extensions of the veins which are at present the main ore producers. Recent lateral work on the 1,225-ft. and 1,350-ft. level give some encouragement, both east and west of the dyke more by reason of improved geological formation rather than by continuous values. There will still have to be considerable work done to ascertain whether the improvements shown geologically will result in the location of commercial ore bodies."

High Prices Paid for Claims Near Sudbury

Some time ago certain diamond drilling operations in the vicinity of the Sudbury nickel formation revealed good showings of a complex ore carrying zinc, copper, lead, silver and gold. Since then the Treadwell-Yukon and the Primus Chemical have done $75,000 worth of drilling and have located at least two large mines and possibly more. Recently other interests have taken claims in the locality, and last week the International Nickel took about fifty. A large number of land options held by the Bunker Hill, the Treadwell-Yukon, and the Primus companies running from a small sum up to $100,000 for single 160-acre tracts were closed within the last two weeks, and preliminary work toward opening mines is now under way on a large scale.

High Average of Eldorado Samples

Sampling the last 23 ft. of the second shaft of Eldorado Mine, Central Manitoba, shows the continuation of interesting values, $32 over a width of 4-ft. This makes an average for the 43 ft. of the shaft of $16.80 over 3¾ ft. width.

Further channel sampling has been done on the east end of the break, and 2,400-ft. east of No. 2 shaft, gave $52 over 4½-ft. and $32 over 4-ft. the samples being taken every six feet.

For practical assistance to the manufacturer, and business man in the testing, inspection and use of all materials.

Milton Hersey Company
LIMITED
Industrial Chemists and Engineers
Montreal Winnipeg

ONTARIO MAY OPEN UP BASE METALS NORTH ARGONAUT

Clifford and Ben Nevis Tps. Are Staked—Extension of Quebec Copper Zone

The Ben Nevis country in Ontario, that part lying north of Argonaut mine, is coming into prominence. Prospectors have flocked in there looking for copper, and some interesting discoveries have been made. It is believed that the copper zone from Quebec extends over the Ontario boundary.

E. O. Ehrhart, Johnsonburg, Pa., just out from the Ben Nevis country, stated to The Financial Post that about August 1 he located a group of 12 claims in Ben Nevis Township, Southeast quarter. In assessment work so far he uncovered a wide sheared zone of rhyolite and basalt, well mineralized with sulphides, iron pyrites and chalcopyrite. Cross faultings shows values in sphalerite and galena,—in one place, heavy mineralized for a width of at least 5 feet, gave combined values, zinc and lead, of 11%.

The main shearing crosses the whole property and carries up to 40-50 feet width.

To reach the section, he says, he took Nipissing Central Railway to Argonaut mine and then by canoe route, 4 hours to Verna Lake, and Trail 2 hours to the property. The group adjoining on the north has a parallel zone also showing disseminated chalcopyrite.

A recent find by Brett and Snipes, 4 miles west along Clifford and Ben Nevis Townships line, shows chalcopyrite disseminated over a wide zone. The territory between has been staked solid—a belt 6 miles by 3 miles. Prospectors are very active in the region.

He says that assistance by the government in cutting a road to the territory would aid Ben Nevis and Clifford Townships toward developing the territory. Present showings are compared favorably with early Rouyn finds by men familiar with the Quebec area.

20 CLAIMS ADJOINING "SMELTERS" ARE SOLD

Rouyn Boischatel Development Adds Important Block to its Holdings

Rouyn-Boischatel Development Co. has opened up the mineralized zone on its northern group of 240 acres to considerable width for over 100 feet. A large amount of stripping and trenching has been done and test pits are being put down. Further sampling is expected to reveal satisfactory copper values.

An additional important area has recently been added to the company's holdings, consisting of what was formerly known as the "Walker Grace" claims in Montbray township, twenty claims adjoining holdings of Consolidated Mining and Smelting Company where active operations have been carried on for some time past with excellent results.

The geology is highly favorable and good copper indications have already been found on these claims which comprise approximately 800 acres. A brief survey has recently been made of this property by capable engineers and as a result the deal was consummated last week. The terms have not been made public.

Road to Connect Cobalt Tp. With Rail Transportation

A start has been made on building a road from West Hill on Canadian National Railway to Cobalt Tp., Porcupine district. The distance is about 23 miles and when completed will likely result in considerable activity in the promising Cobalt Tp. area. Decision to build the road was arrived at recently at a meeting in the office of Porcupine-Kirkland Gold Mines, which company is actively interested in Cobalt Tp.

Argonaut
Tough-Oakes
McIntyre
Dome
Beaver
Teck-Hughes
Vickers
Barry-Hollinger

The current issue of our market letter, "The Mining News," contains information on the above stocks. A copy, free, upon request.

F. G. OKE & CO.
Members Standard Stock Exchange
34 KING ST. E.,
TORONTO

Low Silver Prices, if Continued, May Make Silverware Popular Again

Some interesting comments on the decline in silver prices were secured from manufacturers of silverware in Canada by Hardware and Metal.

A manufacturer of silver plated ware stated that while the price of silver had declined, that the price of other base metals used in making plated ware had advanced considerably. Thus while the price of silver declined to 52 cents per ounce, the price of tin has increased from $62.27 per ton in September. In view of the fact that 90 per cent. of the base metal used in making silver plated ware is tin, this manufacturer stated that it was more likely that the price of silver plated ware would increase than to decline despite the drop in price of silver.

"We expect we will have a hard time convincing people that such an advance is justified, because the public pays little attention to the fluctuations in tin, while paying a good deal of attention to the drop in silver prices, he said. He added that silver prices generally decline at this time of year, but not to such a great extent as has been the case this year. The increase in price of tin was said to have indications of greater permanence than the decline in silver, being due to a decrease in the visible supply of tin, the fact that some mines were being exhausted and that more tin is now being used.

A manufacturer of sterling silver ware stated that if the price of silver remains at the present low quotations, it will have an effect upon the price of this product as 50 per cent. of the manufacturer's cost on sterling ware is represented by the silver content, the balance being cost of labor and selling. He stated that while the quoted price today was 52 cents an ounce for silver that brokerage charges brought the laid down prices to a higher figure. If higher silver prices do not prevail, the manufacturers will suffer losses because of stocks already on hand. The tendency of lower prices might, however, help sterling silver ware regain some of its former popularity.

Old N.W. Ont. Silver Operation to Resume

Another of the old-time North-western Ontario silver mines is about to be re-opened. J. Dreaney, engineer in charge of the work at Enterprise Mine, will open up an old silver property close to Silver Lake, about two miles south of Loon Lake. There was a good deal of prospecting development done on this property some thirty years or more ago, and it is the intention of the company to make a thorough investigation of its value.

At the Enterprise mine, where Mr. Dearney is now working, considerable progress is being made at unwatering it. The old workings include two shafts and a lot of drifting and possibly considerable stoping, so that, when the water level was taken down to the top of the first level, progress was slow, as there were drifts and stopes full of water to be emptied. Day and night an eight-inch stream of water is being pumped from the workings.

The intention is to put up winter camps on the property and to have a force of at least a dozen men at work all winter. The Enterprise mine is a zinc and lead proposition.

BENNETT CUTS ANOTHER VEIN

The shaft on Bennett Mining Co. property at Sesekinika is down 530-ft. and crosscutting on the 500-ft. level is now in 70-ft. In the sump below this level, a solid quartz vein was cut. This makes the sixth vein that came into the shaft in the 530-ft. The lateral work is expected to open up some interesting looking veins.

S. A. Marvin R. H. Scarlett
FLEMING & MARVIN
Established 1909
Members Standard Stock and Mining Exchange
STOCK AND INVESTMENT BROKERS
320 Bay Street, Toronto
Phones Elgin 5206-7.

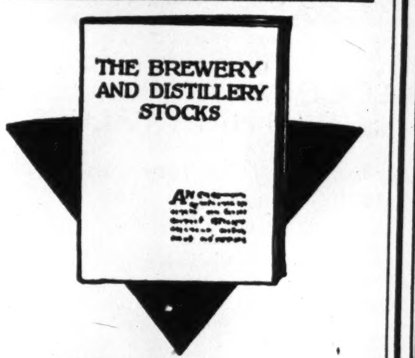
INTIMATE knowledge of the mining districts, together with my experience, covering 25 years' direct association with Mining Operations and Finance, is at your service.

Your enquiries are invited
MINING STOCKS — Bought and Sold
E. S. GORDON
Mining Counsel *Elgin 3614*
302 Reford Bldg., 217 Bay St.,
Toronto

We Solicit

inquiries from those interested in Canadian Mining Investments.

KIELY & SMITH
Members Standard Stock Exchange,
Canadian Pacific Bldg.,
Toronto, Can.


THE BREWERY AND DISTILLERY STOCKS

"The Brewery and Distillery Stocks"

is the title of a special booklet we have prepared dealing with the shares of the leading Canadian breweries and distilleries. This booklet analyzes the earnings, growth and shows market movements, etc., of

National Breweries
Can. Indust. Alcohol
Gooderham & Worts
Cosgraves
Brewers and Distillers
And other Companies

In view of present circumstances, this booklet can be read to advantage by every shareholder and those interested in the possibilities of beverage stocks.

Send for your copy. It's free.

W. H. Thorburn & Co.
Limited
Investment Bankers
Royal Bank Building, Toronto
Branches: Montreal, Boston

LEAD AND ZINC

Over 3,000 acres under option in Ottawa Valley District.

A Developed Company, with a real future. Send for map.

OTTAWA VALLEY MINES LTD.
Head Office:
Citizen Bldg., Ottawa.

You Wouldn't Deliberately

Put Your Money in a Worthless Stock

—but you might do so unwittingly, through bad advice or misinformation.

By becoming a constant reader of

GIBSON'S FORTNIGHTLY MINING REVIEW

your investment funds are not only safeguarded but directed into profitable channels.

This service is yours for the asking. Write to-day and have your name placed on our list.

Homer L. Gibson AND COMPANY
Bank of Hamilton Bldg
TORONTO
PHONES: ELGIN 2241-2-3-4-5

Mine Expansion

DEVELOPMENTS at depth in the Teck-Hughes Mine are meeting with remarkable results. Expansion in mine wealth already has placed the company in a very strong position, as a result of which its future looms brighter than ever.

SENT FREE UPON REQUEST

Latest and most authentic information set forth in the current issue of The Market Despatch.

ARTHUR E. MOYSEY & CO. LIMITED
FOUNDED 1904
TELEPHONE: ELGIN 5171.
Moysey Building, 242 Bay Street, Toronto

Our 40 years' close association with mining and mine development in Canada places at your service a reliable source of information regarding this class of investment.

Orders Executed on All Exchanges.
A. E. Osler & Co.
Established 1886
COR. JORDAN & MELINDA STS., TORONTO ELgin 3461

Castle Trethewey
Vipond Noranda
Bourlamaque Syndicate
MORGAN U. KEMERER
29 Melinda St.
Toronto 2, Ont.
Adelaide 7715
145 St. James St.
Montreal, P.Q.
Harbour 4935

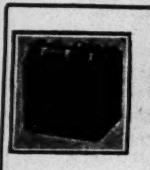
The Price Syndicate
invites you to consult them before investing in Alberta oil stocks. Member Calgary Stock Exchange.
212 Seventh Avenue West, Calgary, Alberta

J. T. RICHARDS CO.
MINING STOCKS
CANADA LIFE BLDG.
OTTAWA
More than eighteen years' experience

North Western Quebec
"The Land of Opportunity"
PLANT & HAMPSON LTD.
Members Montreal Mining Exchange
Union Bank Bldg. OTTAWA

CHAS. SPEARMAN
(B.Sc., M.A.)
CONSULTING MINING GEOLOGIST AND ENGINEER.
Examinations, reports, etc.
Exploration and mining programs.
Preliminary exploration, diamond drilling, etc.
Room 704, Power Bldg., Montreal, Que.
'Phone Main 6212.

C. H. MANATON
MINING PROPERTIES AND STOCKS
Recommend Purchase at Market.
Noranda, Amulet, Dome, Wright Hargreaves.
Suite 611-620
BANK OF HAMILTON BLDG.
TORONTO



More Pep
Storage Batteries for Cars and Radio.
Monarch Battery Mfg. Co. Ltd.
Kingston - Ont.

We recommend
Montreal Rouyn
Louis M. Atwell & Co.
Members Montreal Mining Exchange
55 St. Francois Xavier St., Montreal

Specialists in Quebec's Mining Stocks
Send for Daily Sales Sheet of Quebec Stocks.
VICTOR RIGOT & CO.
Members Montreal Mining Exchange
55 St. Francois Xavier St., Montreal

Lonergan Securities is pleased to recommend purchase of shares in
Porcupine Kirkland
Lonergan Securities Limited
Union Trust Bldg. Toronto

Beaver Dispute Has Revealed Many Facts About Kirkland Gold

Shareholders Benefit When Engineers Disagree About Property

WHAT ARE RESERVES

Summerhayes Says Half Million and Tyrrell Estimate Three Times as High

The Beaver dispute and the consequent Summerhayes' report has been beneficial from the standpoint of Kirkland shareholders. It focused attention on the ore reserves of that property and brought a reply from J. B. Tyrrell to the Summerhayes estimate, so that for the first time real detailed figures on reserves are available to shareholders and they are in a position to size up the venture.

Mr. Tyrrell estimates reserves at $1,600,000. The Summerhayes figure was $545,324. The figures:

	Summerhayes	Tyrrell
Tons	41,361	80,000
Value per ton	$ 13.20	$ 20.00
Total value	$545,324	$1,600,000

Mr. Tyrrell finds that Mr. Summerhayes "by various arbitrary reductions, purely imaginary and theoretical," cut down assays and shortened shoots as compared with the figures of the company. Among the criticisms of Mr. Tyrrell are:

1975-Foot Level

Summerhayes: "It was on this level that the new ore body was first intersected. 1,020 feet of lateral work has been done on this level. An ore shoot 227 feet long averaging $10.04 over 6.42 feet in width has been exposed. Since there is no raise connecting this exposure with the ore on the 1,875-foot level, this block of ground can only be called "partially developed" ore, containing about 9,514 tons, valued at $136,811, or $14.38 per ton. A stope here has been timbered and is ready for ore production.

Tyrrell: "There are other similar inaccuracies and arbitrary and unwarranted reductions, both in quality and value. For instance, the average value of 42 samples on the 1,975-ft. level over a length of 227 ft. was found on careful assay to be $20.82, as shown on his Exhibit 9B, and he cuts it down to $10.04, or less than half the actual values determined by careful sampling and assaying.

2,100-Foot Level

Summerhayes: "About 660 ft. of lateral work has been done on this level. An oreshoot, directly below the one on the 1,975-ft. was developed for a length of 222 ft., this having an average value of $20.92 per ton over a width of 6.6 ft.

"Since there is no connecting raise from this level to the 1,975-ft. through the ore, this block of ground must also be classed as "partially developed" ore and should contain 15,234 tons valued at $235,822 or $15.48 per ton.

"The stope started at the east end of this ore shoot has indicated greater widths with high values." He cited a number.

"In the estimates following, I have allowed this ore shoot to go 25 ft. below this level giving 3,052 tons having a value of $63,847 or $20.92 per ton over a width of 6.6 ft.

"Timbering of this exposure is now proceeding."

Mr. Tyrrell says: The list of assays given on Exhibit 9-C of his report give a length of 252 ft. with a value of $30.80 over 5.5 ft. These are the bald facts, but by various arbitrary reductions, purely imaginary and theoretical, he cuts this assay value down to $$20.92, and at the same time he shortens the ore body from 252 ft., as given in the record, to 222 ft. But for a length of 110 ft. this drift was widened, and then resampled across the total width, the sampling being given on his Exhibit 9-C2, though these samples are neglected and omitted in his computations. In fact, the rich ore shoot on this level for a length of 252 ft. has been proved for an average width of 6.85 ft. with an average value of $31.35 per ton. But the drift does not and was never intended to show the full width of the ore; that is much better shown in the stopes above, and on pages 8 and 9 of his report he gives the average width of the stopes for 170 ft. in length above the level as 7.8 ft. in rich ore of an average value of about $52.02, but he does not allow for this improvement in his calculations of ore reserves. Having all this information before him, it is incomprehensible that he should not only arbitrarily cut down the value below what the assays show, but should give an estimate of value on this level at substantially less than one-half the actual figures.

(2,225-Foot Level)

Summerhayes: "About 1,100 ft. of lateral work has been done on this level. Of this 765 ft. has been drifted along the main break.

"While the grade of ore at this horizon has been lower than the level above it, it is to be remarked that values have been found along the full 765 ft. Three low grade ore shoots have been exposed as follows:

77 ft. long by 6.18 ft. wide, $4.80 per ton.

180 ft. long, 6.54 ft. wide, $5.18 per ton.

50 ft. long, 6.70 ft. wide, $7.60 per ton.

"There is therefore 307 ft. of low grade ore which will assay about $5.50 per ton over 6.5 ft. in width. Each foot of height should produce 166 tons of ore of this grade.

"However, the possibilities for an improvement in grade as these stopes are worked towards the better ore above, are excellent.

"The backs of these exposures are being broken down and the ore sent to the mill."

Mr. Tyrrell says: "Then, though this ore occurs on the 2,100-ft. level and there is also ore on the 2,225-ft. level, for some unknown reason he only allows ore for 25 ft. below the 2,100-ft. level and 25 ft. above the 2,225-ft. level, leaving a space 75 ft. high on the vein between the two ore bodies as being of no value, which is absurd. The ore from the 2,100-ft. level should in my opinon be computed for 62½ ft. below it, and the ore from the 2,225-ft. level for 62½ ft. above it, meeting half-way between the two levels, and at the same rate for each respective level. Thus, below the 2,100-ft. level, instead of 3,052 tons of a value of $20.92, or a total of $63,847 given in his report, there should be shown 8,000 tons of a value of $31.35, or a total of $250,000, approximately four times as much as his estimate."

Mr. Summerhayes went into the matter of costs, which brought forth a prediction from Mr. Tyrrell:

Mine Costs

Summerhayes: "Due to the fact that you are to open up new stopes necessitating, with shrinkage method as employed at the Kirkland Lake Mine, breaking three times as much ore as the mill requires, your milling costs will therefore be considerably higher than normal during this opening up period.

"Assuming a daily tonnage of 150 tons the following costs may be expected:

Mining	$3.00
Milling	1.25
General	1.00
Development	1.50
Total per ton	$6.85

"With mill ore at $13.20 and assuming 150 tons per day milled the profits to be expected may be as follows:

Ore $13.20, less metallurgical loss $2	$11,20
Operating costs	6.85
Profit	4.35

"On the basis of 4,500 tons per month this will amount to a monthly profit of $19,575.

Tyrrell: "I am confident that the high costs and heavy losses in extraction predicted by Mr. Summerhayes in his report will not be realized in our operations, as previous results on the mine under Mr. Sixt, our present mine superintendent, showed much lower costs and higher extraction. These factors will add materially to the profits from the operations."

Mr. Summerhayes went into the summary. There is food for thought in it. His remarks and Mr. Tyrrell's follow:

"There is now probable ore to the extent of nine months supply of milling 150 tons per day, or fourteen months if only 100 tons per day is milled. However there is a good margin of profit to be won.

"It is very evident, in my opinion, that an active campaign of exploration must be carried on during this period so that new ore bodies may be found to take the place of those now being depleted.

"It is my opinion that excellent prospects exist above the present lowest level for finding additional ore.

"The two primary conditions that have existed in the past at Kirkland Lake Mine for the finding of ore still exist, in my opinion, in a number of places in the mine, the continuation of the main break and that it should be cut or be in contact with the syenite or porphyry. Therefore there is little doubt that other ore bodies only await intelligent exploration above the present lowest level.

"The longitudinal section shows a great gap between the old ore shoots and the present new ones. It is more than probable, in my opinion, that other ore bodies exist in this gap. Since stations have already been cut at the shaft at most of the intermediate levels, there should be no difficulty in prosecuting this exploration work.

"That the width of the syenite is greater at lower levels and that porphyry appears to be coming in, as shown on the 2.225-ft. level, are, in my opinion, favorable structural conditions for the finding of ore at still lower horizons.

"That the length of enrichment along the main break at the 2220-ft. level has increased and may be the apex of other ore shoots, are, I believe, also favorable evidences.

"However, the future of the property, in my opinion, lies entirely in the ability of the management to find new ore bodies during the period that the present reserves are being milled.

"Looking at the property in a broad and general way, it is my considered opinion that the future prospects for the Kirkland Lake Mine are excellent."

Mr. Tyrrell:

"I think all shareholders will agree with me that the mine is now in an excellent position considering the short time that has been spent in its deep development, and the small amount of money that has been available for the development. In addition to the increase both in tonnage and value over and above those stated in the report, the shareholders may rest assured that just as soon as the mill is tuned up the costs and loss in extraction will be reduced to a minimum in line with the other mines in the Kirkland Lake district.

"I cannot do better than repeat Mr. Summerhayes' own statement that 'the future prospects for the Kirkland Lake mine are excellent,' with which opinion I thoroughly agree."

NATURE FICKLE IN ENDOWING ROCKS WITH YELLOW METAL

J. B. Tyrrell, vice-president and managing director of Kirkland Lake Gold, estimates that down to the 2,225-ft. level of the mine there is $1,600,000 proven ore. There may be a great deal more that has not yet been encountered, but $1,600,000 is all they can bank on now with any degree of certainty.

Only a short distance east is Lake Shore. It has something like $20,000,000 in ore above the 1,000-ft. level and has taken out over $6,000,000 already.

On Lake Shore is found a great concentration of values over excellent widths. Kirkland Lake gold has spotty values, some high and some low. It will be noted that the 2,225-ft. level is lean. The results on the 2,350-ft. level will be of importance.

MINING STOCK QUOTATIONS
WEEK ENDING OCTOBER 26

	Div.	Yield	High wk.	Low wk.	Close Oct. 26	Sales wk.	Range, 1925 High	Range, 1925 Low	Range, 1926 High	Range, 1926 Low
Amulet	...	...	1.39	1.30	1.36	45030	...	...	1.67	90
Algonquin	...	...	4½	3	4¼	117800	..	..	4½	1¼
Apex	...	...	3½	3¼	3½	9800	3¾	2	6	3
Area	...	...	30	24	26	39000	..	..	40	21
Argo. Con.	...	...	67	45	58½	1095489	..	..	67	18½
Atlas	...	...	3	2½	2½	9000	5	¼	5	1⅝
Baldwin	...	...	4⅞	4¼	4¾	162500	7	1⅞	7	1
Barry Holl.	...	...	88	70	80	188500	50	18	88	22
Beaver	...	...	70	57	68½	57300	57	25	94	52
Bellellen L.	...	...	22	21½	21½	6500	..	..	23½	21½
Bidgood	...	...	5	5	5	22600	16¼	4¼	10¼	4½
Boston Creek	...	...	4¾	4¾	4¾	500	9½	4½	7½	2¼
Bourlamaque	...	...	1.23	1.20	1.22	44200	...	...	1.23	.66
Buckingham	...	...	3½	3	3	9500	5¾	2¼	4½	2
Can. Lorrain	...	...	61	50	60	98398	80	22	93	45½
Capitol	...	...	29¾	25½	27½	62850	38	24	50	25
Castle Tre.	...	...	1.10	.91	1.05	125150	1.60	71	1.85	.91
Chaput Hughes	...	...	11½	7½	10½	271900	10	4	31	6
Clifton	...	...	2½	1½	1½	2000	26	2	6½	1½
Coniagas	...	...	4.00	4.00	4.00	400	5.00	1.25	4.80	3.00
Coniarum	...	...	3.90	3.70	3.90	955	4.00	1.00	4.45	3.00
Col. Kirk.	...	...	3	2¼	2¾	36600	10½	2	25	2½
Cons. Smelter	3+3	2.54	236	230¼	234¾	6431	183½	48½	254¼	177¼
C. W. Dome	...	...	25	21	24½	317350	25	10½	29½	14
Crown Reserve	...	...	9	8	8½	24200	55	15	24⅛	8
Dome Mines	2.00	20%	10.00	8.20	10.00	11550	18.00	12.90	20.00	8.00
Don Rouyn	...	...	45	36	40	4200	..	..	61	25
Duprat	...	...	26	19	23¾	581300	..	..	26	10
Fiske	...	...	14	11	11	6500	..	..	16	11
Everett	...	...	4½	4	4½	11500	10	4	12¼	4
Goldale	...	...	32¾	29	32	44700	37	14¾	43	24
Gold Hill	...	...	51½	43	47½	161842	..	..	73½	25
Gold Reef	...	...	2	1½	2	17000	2¼	1	5	1
Hillcrest	6	10.90	55	55	55	65	60	60	65	55
Hill Top	...	...	27	24½	26	5250	..	..	31¾	20
Hollinger	26%	6.84	18.98	18.70	18.85	1990	17.50	13.30	19.95	16.65
Indian	...	...	6	4½	4½	8450	17¾	3½	14	4
Int. Nickel, com.	...	...	35½	34¾	35½	2555	..	..	46	33
Jay Copper	...	...	76⅞	76	76	31700	..	..	76⅞	73
Kealey	24	15	1.60	1.41	1.54	34850	2.32	1.40	1.91	1.39
Keora Mines	...	...	16½	12	12	48350	..	..	22	12
Kirk. Hunt.	...	...	33	18	25	235700	..	..	34	8½
Kirk. Lake	...	...	96¾	90	92¾	127350	92½	33	144	85½
Lake Shore	40	2.85	14.25	13.00	14.20	8055	10.00	4.51	15.10	9.60
Lakeside	...	...	4	3¼	3¼	66000	15¾	2½	10	1⅛
Laval	...	...	35	22¼	28½	470400	..	..	44½	21
La Rose	...	...	6	6	6	5000	53	7½	38	6
Lorrain	...	...	3½	3	3½	40200	24	7	15	3
Lorrain T.L.	...	...	...	...	...	...	1.34	.85	1.10	.50
Macassa	...	...	35	33	35	10600	..	..	43	33
McKinley	...	...	9½	9	9	42500	42½	14½	26	8½
McIntyre	20	4.16	23.90	22.00	23.70	6576	22.70	16.00	29.75	22.70
Millcrest	...	...	6	4½	6	25100	..	..	21	5
Mining Corp.	5	8.33	3.00	2.60	2.96	35735	3.40	2.85	4.45	2.60
Moneta	...	...	14¼	14	14	3500	18¼	12½	18	11
Montreal Rouyn	...	...	44	36	36	21700	..	..	60	13
Noranda	...	...	19.00	18.30	19.00	14602	..	...	19.55	14.20
Newray	...	...	..	..	..	......	44	17	45	31
Night Hawk	...	...	5½	5	5	18500	49½	6	17	4
Nipissing	12	11	5.25	5.00	5.25	8880	6.80	4.60	7.50	5.00
Pete Lake	...	...	9½	7	9½	5300	11¼	2¼	10¼	1¾
P. L. Cobalt	...	...	27	20	25½	186900	..	..	32	17
Porc. Crown	...	...	7	4½	4½	2200	8	2	10½	4
Porc. Keora	...	...	..	..	..	......	..	..	14½	3
Pioneer	...	...	82	78	78	12250	..	..	95	66
Premier Gold	32	15¼	2.05	2.00	2.02	6000	2.58	2.19	2.75	2.00
Preston	...	...	7¼	6¾	7	32500	12	6½	9⅞	4
Peterson	...	...	24	22¼	24	7000	..	..	31¾	22¼
Rouyn	...	...	2⅞	1⅞	1⅞	10500	..	..	8	1⅞
Rouyn, Que.	...	...	3	2	2½	10100	..	..	4½	1¼
South Keora	...	...	12	10½	12	5000	..	..	14¾	5
Stadacona	...	...	44	42	43	67550	..	..	44½	40
Teck Hughes	10	2	5.00	4.71	4.94	61704	3.00	1.23	5.00	2.64
Timiskaming	...	...	8	8	8	425	30	11½	14	6
Tough Oakes	...	...	55½	41	50	413900	61	20	65½	36
Towagamac	...	...	4.00	3.75	3.80	8400	...	...	4.00	3.15
Victory Silver	...	...	7	4	6	28000	31	5	9½	3½
Vickers	...	...	95	93½	95	29000	20½	3	95	13
Vipond	...	...	1.75	1.60	1.69	49220	1.04	1.01	2.02	1.49
West Tree	...	...	2¼	2¼	2¼	5000	5	2	3½	2¼
Wettlaufer	...	...	2½	2½	2½	500	17	3½	10	2½
Wigwam	...	...	8	7	8	7700	..	..	32½	4
Wright Har.	10+	...	8.55	8.05	8.55	3125	7.95	4.15	9.60	7.75

ORE DILUTION IS SPLITTING POINT IN K. GOLD DISPUTE

Summerhayes - Tyrrell Controversy Brings Out Method of Assays

Maurice Summerhayes, M.E., holds strongly to the correctness of his report on Kirkland Lake Gold Mines, despite the assertions of J. B. Tyrrell, vice-pres. and gen. mgr. The dispute between these two engineers seems to simmer down to a question of treating with high erratic assays and to dilution of ores in milling. Mr. Summerhayes contends that there will be a higher dilution of values in mining ore than Mr. Tyrrell is willing to concede. Mr. Summerhayes offers to back his opinion with money if Mr. Tyrrell will do the same. Mr. Summerhaye's reply to Mr. Tyrrell follows:

"My recent report on the Kirkland Lake Gold Mine has been subjected to so much criticism by Mr. Tyrrell that I cannot allow the matter to pass without comment. It should, perhaps, be pointed out to the Kirkland Lake shareholders, as this has apparently been lost sight of in the controversy, that my report was not pessimistic, but was encouraging. It now appears, however, that my figures of ore reserves fell so far short of what the public had been led to expect, it looks as if attempts are being made to disparage the report as a whole. Mr. Tyrrell's criticisms would appear to be for the purpose of extricating himself from an untenable position.

"Taking up first that part of Mr. Tyrrell's report regarding his lack of knowledge as to the instructions received by me from the Beaver Company in which he states, 'though with what instructions I have not been informed.' If Mr. Tyrrell had read that part of my reprt as carefully as he did the computations, he would have been 'informed' from it that my instructions were to go to the Kirkland Lake Mine and report on the present situation of the mine.

Outlines Instructions

"I would like to state here for the benefit of the shareholders of the Kirkland Lake Mine as well as the Beaver shareholders that those were the only instructions received by me. Furthermore, I do know that while I was at the mine there were instructions received at the mine office from Mr. Tyrrell to forward to him at Toronto the letter presented by me from the Beaver Company introducing me at the property; this letter reiterating the same instructions I had received in Toronto.

"No matter what my results were, my examination was made with a true intent of fairness to the Kirkland Lake Mine, as I have not now, or at any time, any connection with, or sympathy for, either side of the unfortunate Tyrrell-Culver controversy.

"I have carefully noted what Mr. Tyrrell claims are glaring errors in figures and calculations, and also his point regarding 'arbitrary reductions purely imaginary and theoretical,' particularly 'high erratics and dilution' made by me. It may be explained that 'high erratics' are isolated assays much higher than the average. For example, in the oreshoot which Mr. Tyrrell refers to in his report of Oct. 19 there was one high erratic (Exhibit 9-C) assay of $283, and this was the only one out of fifty-two samples in that ore-shoot which I reduced. For example, referring to the $283 assay above quoted, the effect of which if left without adjustment will increase the value of the 252 feet of oreshoot by about $4.60 per ton and increase the value of the block of ground adjacent by, approximately, $50,000, obviously a ridiculous contention.

Must Be Reduced

"All engineers of experience agree that erratic assays must be reduced, otherwise an entirely erroneous idea of the value of the ore bodies will be obtained. As a matter of fact the necessity for reduction of such 'high erratic' assays is generally recognized as being among the first principles of mine valuation. While there may be differences of opinion as to the best method to pursue, there is no question among engineers of standing, unless possibly Mr. Tyrrell, that some method is essential. I am quite sure that, from his past experience, Mr. Tyrrell, if he was examining the mine as an independent engineer, would use some method of reducing 'high erratics.'

"These points are, however, details of method and should not be allowed to obscure the fact that the real discrepancy between Mr. Tyrrell and myself is, approximately, 40,000 tons of ore, as of date of October 6, 1926, and a difference in gross value of over $1,000,000.

"I do not hesitate to say that, even allowing all that Mr. Tyrrell claims, it is impossible for me, using the recognized engineering methods of computation, to arrive at a figure of an 'assured ore reserve' of 80,000 tons, having a gross value of $1,600,000. The only way in which this 80,000 tons claimed could be obtained would be by including areas of low-grade ore where the average value per ton would not, obviously, be $20.

Discussed Dilution

"I must again state, as in my report, that the figures used for dilution were those discussed during my visit at the mine with those knowing the facts best, and from the past history of the mining at the property. In figuring a 20 per cent. dilution, I believe I was more than fair.

"I am so convinced of the essential correctness of my estimates that I am willing to make Mr. Tyrrell the following offer, which should be fair to all parties concerned and which should end, once for all, this unfortunate discussion:

"I would be glad to see a report made by an 'umpire engineer,' who would be appointed by a committee consisting of Mr. Tyrrell, myself, and either one other engineer, or an appointee of the Association of Professional Engineers of the Province of Ontario, to make an examination of the 'assured ore reserves,' and I will agree to pay the total expense of this examination if this report of 'assured ore reserves' does not confirm my estimate rather than that of Mr. Tyrrell, provided, however, that Mr. Tyrrell will agree to pay these expenses if he is proven to be wrong.

"Mr. Tyrrell claims an 'assured ore reserve' of 80,000 tons having an assay value of $20 per ton, or a gross value of $1,600,000—I am willing further to agree to pay the sum of one thousand dollars to the Sick Children's Hospital if the results of milling the first 40,000 tons show an average value of $20 a ton, provided, of course, that Mr. Tyrrell will agree to pay the same sum if he is wrong."

VIPOND'S MEETING DELAYED

Vipond's meeting to pass upon the purchase of British Porcupine's holdings, old Thompson-Krist and Crown Reserve properties, for 250,000 shares of stock will be held Nov. 24, instead of Oct. 26.

JULIUS RICKERT & CO.
Geologists and Mining Engineers
Established 1894
67-70 UNION BANK BUILDING
Phone M9810 CALGARY, Alberta

ALBERTA OIL
Daily Quotations
Ottawa Bond & Security Company, Ltd.
BOOTH BLDG. - OTTAWA

D. S. PATERSON & CO.
Members Standard Stock and Mining Exchange
Royal Bank Building
TORONTO
Phones
*AD. 4747
Specialists in Canadian Mining Securities

Mining Machinery
and rock drill parts — column parts for 3½ S.S. column — hose couplings.
TELEPHONE 67.
Elliott & Whitehall
Machine and Tool Co.
Manufacturers of
Milling Cutters, Reamers and Small Tools, Chucks and Fixtures, Special Machinery, Jigs and Dies.
GALT, ONT.
Stocks at Timmins
VINCENT WOODBURY,
Representative

Mowat & MacGillivray
STOCK BROKERS
*Q. 610
New York Stocks
128 Sparks St., Ottawa
Montreal and Toronto Stocks
Orders Executed on All Exchanges
Private Wires
Mining Stocks

W. R. HALPENNY,
President and Manager.
Phone M 1274.
E. E. HALPENNY,
Secretary-Treasurer.
Vulcan Brokerage Limited
(Members Calgary Stock Exchange)
STOCKS AND BONDS; OIL STOCKS, ROYALTIES AND LEASES
Company Organization a Specialty
114 Seventh Ave. E.
Calgary, Alta. CANADA
Drilling Contracts Arranged.
Choice Montana and Alberta Oil Lands.

JAY COPPER-GOLD MINES
LIMITED
(NO PERSONAL LIABILITY)
Is fast taking its place among the recognized mines of the
NORTHERN QUEBEC DISTRICT
Shaft down over 100 feet.
Drifting at this level bears out results previously obtained.
Shaft sinking under way to 200 foot level.
Write for Particulars
Francis J. Hunter & Co.
Limited
MEZZANINE FLOOR MOUNT ROYAL HOTEL
MONTREAL

A. W. HAWKEY & CO. LIMITED
Members Calgary Stock Exchange
Oil Stocks and Leases Bought — Sold — Quoted
We invite correspondence. Write us. Liberal Terms to Agents.
501 Leeson & Lineham Bldg., Calgary, Alta.

PATRICIA AIRWAYS
LIMITED
Provides
The quickest, safest and most comfortable method of travel
BETWEEN
SIOUX LOOKOUT, RED LAKE
AND THE
Chief Gold Fields in the District of Patricia
'Phone for full particulars or write
PATRICIA AIRWAYS & EXPLORATION LIMITED
506 C.P.R. Building,
Toronto, Ontario.
'PHONE: Elgin 4598.
Seaplane Base:
Sioux Lookout, Ontario.

We Specialize in Canadian Mining
STOBIE-FORLONG & Co
STOCKS BONDS GRAIN
Head Office: Reford Building
BAY AND WELLINGTON STS. TORONTO
MONTREAL
HAMILTON
BRANTFORD
Private Wire System
KITCHENER
OSHAWA
ST. CATHARINES

HARVIE, SMITH & COMPANY
LIMITED
Dr. Robert Harvie, late of the Geological Survey of Canada
an organization combining accepted geological skill and the utmost fair dealing, devoted to the exploration and sale of mining properties.
Correspondence Invited
618 Canada Cement Building
MONTREAL

MANY NEW FINDS REPORTED IN VAST RED LAKE DISTRICT

Narrow and Woman Sections Have Discoveries of Importance

Much activity is reported as under way in the Red Lake district, and a number of important finds have been made.

Baldy Price, on the Price-Logan group of fifteen claims, has two strong leads. One is a strong quartz-schist vein with surface width of four feet with good values in the schist. The other is a big break, seventeen to twenty feet wide, carrying around $12 in gold.

The Dampre group has a big quartz lead in the greenstone with adjacent porphyry. This has not been opened up fully but carries good values.

Four veins have been located on the Ellis group of six claims, and gold pannings on three of them indicate good values.

Jim Labine and Jack McMahon (who grubstaked Benny Hollinger when he went into Porcupine), have thirteen claims and have gone in with a gang and a blacksmith outfit and are now at work.

On the Dunkin group of twenty-two claims there are two strong breaks and two good discoveries have been made, which have led to an important ore-body being disclosed.

Jack Lindsay has two groups and on one of these groups he is bound to pick up the Bathurst vein. He now has eight men at work on his south group which ties on to the Dunkin. A good discovery has been made there.

The Stobie-McGillivray-McDonough syndicate has three groups of some twenty claims, and Pete McDonough now has fifteen men at work on them.

These good discoveries, with the showings on the Dunkin and the Manion-Jackson five miles further on where Noah Timmins has a large interest and is getting in supplies for an aggressive winter campaign, and the recent finds at Clearwater, five miles further east, indicate that a gold camp is in the making that may prove a new mining area of great importance has been opened, through the courage of prospectors, who allow no temporary setback to influence them.

Tar Sands Best Binder For Making Briquettes

Athabasca, Alberta, tar sands from McMurray district have been proved to be servicable binder for the manufacture of coal briquettes. The University of Alberta some time ago conducted a series of experiments along this line and discovered that the tar sand was the best of any materials used for this purpose. Coal slack from the Crow's Nest was used along with some from the Edmonton field. In all cases the Athabasca binder worked satisfactorily, giving a clean, hard and easy burning briquette.

Diabase Dyke Stretches Over 2 Stadacona Groups

General Manager Norrie, Stadacona Mines, has encountered a diabase dyke which he has traced to the southern boundary of Block 2, of the company's holdings. The 1st 2,000-ft. were covered with difficulty owing to heavy overburden. Thus the dyke has been found now to traverse both block 2 and 8 of the company's holdings. Much rich float has been found along the dyke over its entire course. He states that he is now using the centre dip of the dyke as a base line and from this will thoroughly magnometer this area.

New Yorkers Inspecting N. Alberta Oil Fields

Officials and stockholders in International Oils of Delaware, and its Canadian subsidiary, International Oils, of Alberta, which companies hold 34,000 acres of oil leases on the eastern shores of Lesser Slave Lake, where their well No. 1 is now down over 1,100 ft., are making a visit to the property.

The party is headed by Frank R. Poss, New York financial man, president of International Oils, of Alberta, and includes Frank D. Craig, of New York, recently-appointed president of International Oils, of Delaware.

Sesekinika Area is Now Receiving Attention

Prospecting on B 1 mining group at Sesekinika has opened up a blue smoky quartz body showing a width of 150-ft. assays run $4.20 and 4.80, but the paystreak in the body has not yet been picked up.

There is considerable activity in this area as several groups are working. Darling property is being opened up and Sennais Gold Mines is carrying on an intelligent exploration of its holdings adjoining the B 1.

Engineer Gold Mine Shares Have Fallen $100 Each

Engineer Gold Mine shares dealt in on New York Curb, which in July, 1925, sold up to $109.50 are now selling at $5.50 or a drop of 104 each. The mine is in Atlin Division of British Columbia. If anything the mine is in a better position to-day than in 1925. Par value of shares $5, with 325,000 shares. A block was underwritten at $12 and evidently the marketing of these lead to the market play which carried the shares up beyond all reason.

CENTRAL MANITOBA MILL SITE

A final survey of Central Manitoba Miles property, with a view to locating the mill site, is being made by H. A. Wentworth, president, and Thos. Pryor, consulting engineer, John Taylor & Sons., London, Eng. The mill site was practically decided upon but new discoveries in the east end of the property, described in The Post last week, caused delay.

TONAPAH MILL HANDLES 60 TONS

Gowganda's third operating mill, Tonapah Canadian, is handling 60 tons daily, most of the ore being drawn from surface dumps and average content runs 40 ozs. of silver. High grade has been bagged, the general run of the ore underground being 60 ozs.

Progress in Mines

NEW GOLD-COPPER FIND

Cambrian Gold Mines, operating the former Bourlamaque Gold Mines property, Bourlamaque Tp., Que., is reported to have opened out a copper-gold body running $10.

SMELTER ON SAGUENAY RIVER

The construction of a zinc smelter on Saguenay River, long mooted, may start in the spring. This will go on at the same time as the Duke-Price Power Development at Chute-a-Caron.

KIRKLAND LAKE OPERATION

Kirkland Lake Gold Mines will likely pour its first gold brick, since resuming operations, about the end of the month.

HOW ABOUT RED LAKE?

"Mining booms are born, not made," says a circular.

How about Red Lake?

HIGH VALUES IN WOMAN LAKE

Woman Lake Centre Syndicate reports that among the veins opened on its property is one that looks like an important orebody, which has been trenched for 300 ft. and gives high values across 5 to 7 ft. widths.

OPERATING IN ELK LAKE

Barnett claims, Willet Tp., Elk Lake, are being explored by Renfrew, Ont., interests, headed by J. Legris.

OSTROM SHAFT SINKING

Shaft on Ostrom Gold mines, Boston Creek, is down 30 ft. on a well mineralized vein.

SEIZE WIGMAN EQUIPMENT

Wigwam Silver mines supplies and equipment are under seizure for an $8,000 debt to Jas. Hughes, mining contractor. The property is not involved, as title is not yet vested in the company. It is expected that funds will be forthcoming to secure release.

HIGH VALUES OVER GREAT WIDTH

Channel samples for the remarkable width of 35-ft. show average surface values of $8.15 on the original Arntfield group in Boischatel Tp., Quebec.

EXPECT BIGGER BUSINESS

International Nickel, because of the upward trend of business, has increased sales quotas 25 per cent. for 1927 over 1926 for its Huntington, Va., plant.

QUEBEC COMPANY FINANCED

Boischatel Mines, with large holdings in Boischatel, Que., have concluded a financing deal, details of which have not yet been announced.

LAKESIDE LORRAIN

M. P. McDonald, engineer in charge of Lakeside Lorrain, has taken an additional gang of men into the property to carry on an extensive campaign of exploration. Ample money is in hand to take care of the work contemplated.

NEW PORCUPINE TOWNSITE

Porcupine Paymaster is laying out a new townsite near its mine in Porcupine, S. W. Dome mines.

BARRY HOLLINGER

Where Barry-Hollinger has started drifting on the footwall side of the recent new discovery the vein is 9-ft. wide, with assays across the face running $32.

Mining Inquiries

Shares Worthless

I have Alberta Petroleum Consolidated shares since 1915. What are they worth?

Alberta Petroleum Consolidated, a company which was the result of an amalgamation of a number of old 1914 Alberta oil properties, became insolvent some time ago and the shares are now worthless.

Ore Chimney

A friend holds Ore Chimney shares. What is your opinion of the investment?

Ore Chimney Mining Co. has been selling stock for some ten years and the property has never been brought to a production basis yet, or even sufficient ore developed to justify the property being called a mine.

Crown Reserve

I hold Crown Reserve shares. What are they going to do?

Crown Reserve does not seem to have made much success out of its Larder Lake property, but intends to proceed with diamond drilling while it concentrates its main operation on its properties in Quebec, which at the present time are very much of a prospect.

Laval Quebec

I bought Laval when it first came out. Are they doing anything?

Laval Quebec has a very large acreage in the Rouyn country on which a certain amount of surface work has been done. The writer recently had a long talk with the managing director in Montreal, and he intimated that there should be some good news forthcoming before the end of the year.

No Record of This Mine

I have certificate of Jackson M. Leasing Co., S. Dakota. Are the shares worth anything?

We do not compile records on United States mining or other companies, but we looked up the record of U.S. companies, as compiled by the Mines Hand Book, a very authoritative U.S. publication on U.S. mines, and the latest volume of that publication does not list any such company as you enquire about.

Dome

What do you think of Dome's position now?

Dome seems to be in a bad way at the present time and the stock is selling at a lower level than it has for some years now. However, the proposition has possibilities of working out and we should judge that about the time the stock has reached the lowest level possible, the heads of the company will start to give out some good news. We judge this on reviewing the history of the proposition and also on the fact that it is impossible for a fairly good mining property, as Dome is, and which a year ago was in a first class position, to practically work itself out in one year's time. There is lots of Dome ground that has not been explored, which holds possibilities for the mining of new ore.

An Oil Gamble

I am thinking of buying Lacarno Oil shares. Are they a safe investment?

Locarno Oils is a prospect that is going to drill for oil in Turner Valley oil fields—a valley in which there are now two large commercial wells. If the company succeeds in financing and are able to drill, they have a good chance of getting a well. It is a gamble as all oil speculations are.

Baldwin

Is Baldwin Mine a good buy at present prices?

Baldwin Mines are now in the hands of a new company called Kirkland Baldwin and quite an aggressive effort is being made to open up the property. It is still very much of a prospect, but very well regarded, but we would hesitate to suggest that you should speculate in the market in such shares, inasmuch as you are so far removed from the centre of stock and mining operations. I think you would be much better advised to buy some of the sounder dividend paying stocks, many of which have excellent chances of appreciation, but are not subject to severe ups and downs of the market.

Three Old Mines

I unearth shares in J. O. 41 Gold Mines, Golden Star and Sailor Consolidated. What are they worth?

I looked through numerous records of old mining companies, active and otherwise, and found only one of the three mining companies which you mention. The general index of Ontario Mining Companies, covering mining operations in Ontario from 1891 to 1916, shows the J.O.41 Mining Co. with a charter to operate in the province, 26 years ago, and in 1898 some work was reported, but there is no record of the company since.

C.I. COULTER & CO.
MEMBERS STANDARD STOCK & MINING EXCHANGE
BROKERS AND FINANCIAL AGENTS
MINING STOCKS BOUGHT FOR CASH OR ON A CONSERVATIVE MARGIN
103 RICHARDSON BUILDING
319 BAY STREET TORONTO
PHONE EL-1645 OR EL 3496

GORDON P. O'REILLY & CO.
Investment Stocks and Securities
Room 26, 74 Sparks St., Ottawa

ALLEN & COMPANY
Investment Bankers
Government, Municipal and Corporation Bonds.
36 King Street East
Tel. Elgin 5516

INVEST IN BANNER OILS LTD. SHARES
All property approved for oil production.
Send for Engineer's Report.
604 MacLean Block, Calgary

Don Rouyn Discoveries
Write for latest information
St. Lawrence Finance Corp.
14 Hospital Street Montreal

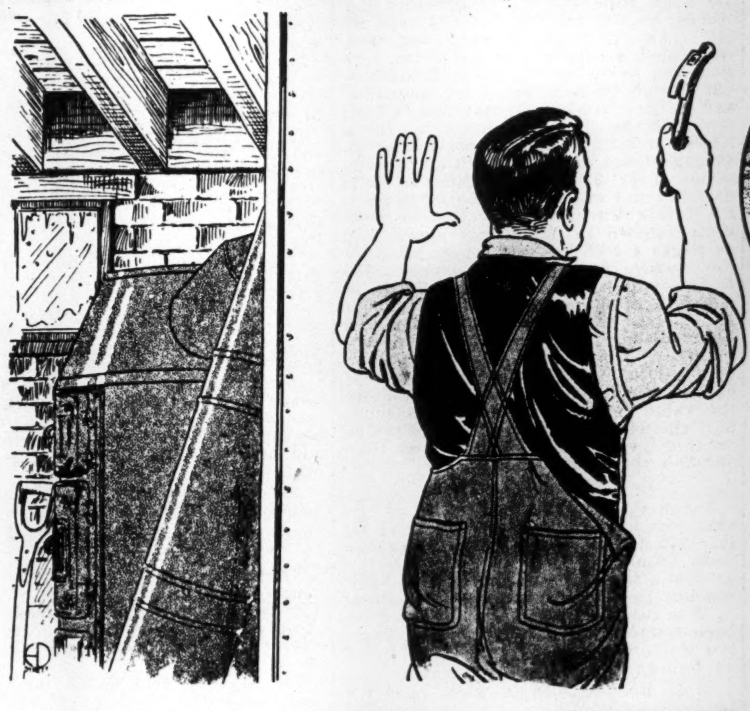
ISBELL, LOGAN CO.
Mining Investments
190 St. James St., MONTREAL
Main 3401

Marclay Mines
The Real Opportunity of Quebec
Folder on request.
W. F. WRIGHT & CO.
202 Metropolitan Bldg., Toronto.

ONTABEC
The Outstanding Purchase of the North
F.W. DAVIS & CO.
707 BLACKBURN BLDG.
OTTAWA.

ESTAB 1895
GOLD AND SILVER STOCKS
LORSCH & CO.
MEMBERS STANDARD STOCK AND MINING EXCHANGE
PHONE ELGIN 5492-3
56-58 KING STREET WEST TORONTO CANADA

We offer
Woman Lake Centre Gold Syndicate
Share-Units at $30.00
Developments warrant a much higher price.
Full information gladly sent upon request.
H. L. M. WELLER & CO.
ESTABLISHED 1899
18 Toronto St. *El. 1896-4533* Toronto 2



GYPROC Advantages
Fire Protection.
Low Cost.
Cannot Burn.
Saws like lumber.
Non-warping.
Can be painted, papered or panelled.
Vermin proof.
Resists heat or cold.
Easily handled
Eliminates repairs.
Sanitary.
Will not crack.
Keeps out moisture.
Keeps out dust or dirt.
Easily, quickly applied.

For Safety's Sake—a GYPROC furnace room

DO YOU know that two out of every five fires start in the cellar—that millions of dollars are lost annually because people fail to protect their persons and property from this ever-present menace. Meet the fire hazard where it starts by Gyprocing your basement ceiling and partitions. At trivial expense you can finish your basement with this famous fireproof wallboard—adding value, safety and convenience to the home—with the fire menace permanently removed.

Gyproc is the ideal wallboard for walls and ceilings. It is solid rock, light, easily handled and workable as lumber. Will not warp or shrink. Provides perfect insulation, keeping out winter's cold and summer's heat—saving 30% in your fuel bills. Line your rooms with Gyproc and you will have protection against fire, cold, heat and sound which no other board can give—and the cost is extraordinarily low. Made in lengths 4 to 10 feet, widths 32 and 48".

Write us for full information.

We will help you solve your decorating problems on Gyproc or any wall surface. Direct your enquiry to our Decorating Department.

THE ONTARIO GYPSUM COMPANY, LIMITED Paris, Ontario

GYPROC
Fireproof Wallboard
2
Why build to burn? Gyproc does away with inflammable wood-lined walls, roofs, ceilings and partitions.

Strengthen Your Holdings of Mining Stocks!

The Financial Post Survey of Mines 1926
THE MACLEAN PUBLISHING COMPANY, LIMITED
Toronto Montreal Winnipeg New York London
The Financial Post Survey of Mines

The Financial Post Survey of Mines, recently off the press, will help you decide what to buy and what to sell. This book (9 x 12 inches in size) gives the facts about every Canadian mine—its early history, its capitalization, its cost, its reserves, financial and ore, its directors. It is on such information that your buying and selling orders should be placed.

To Get This Book You Must Act Quickly
Only a Few Hundred Copies are Left

Of the 8,000 copies printed and ready for distribution early in October, well over 6,000 copies have already been sold and delivered. Mining investors have been eager for this book. It is evident the whole edition will be disposed of in the next two or three weeks. We are anxious that these copies get into the best hands and for that reason urge you to send your order now.

Use The Coupon Herewith

COUPON
THE FINANCIAL POST SURVEY OF MINES,
153 UNIVERSITY AVENUE, TORONTO, 2.
Please send me The Financial Post Survey of Mines. For this I enclose one dollar, covering the subscription price.
Name ....
Address ....
Occupation ....
Oct. 29

231,750 INCOMES TAXED BY CANADA IN YEAR 1924-25

Of These, Only 3,068 Were Farmers, Government Return Shows

EMPLOYEES ASSESSED

Most of Those Contributing to Income Tax Revenue Are Those on Known Salaries

There were fewer people paying income tax in Canada during the year 1924-25 than for 1923-24. This is shown by the classification of income tax payments for that period, now completed by the income tax branch of the department of customs and excise. 231,750 taxpayers paid $56,248,043 in 1924-25 and 244,605 paid $54,204,028 in the previous year.

The commissioner of taxation has completed the classification of taxes received during the fiscal year 1924-1925. The total amount received was $58,952,470.19.

The net collections are $56,248,042.82 for the income war tax act and $2,704,427.37 for the business profits tax.

The total for the income tax includes $469,664.23 representing payments made in advance which are therefore unclassified.

The income tax analysis shows the total paid as follows:

	Number	Amount
Agrarians	3,068	166,138.08
Professionals	19,395	2,230,080.48
Employees (including those working for salaries and time work)	168,894	13,973,094.87
Merchants	16,899	7,097,163.60
Manufacturers	3,009	14,903,387.51
All others	20,488	18,627,153.92
Unclassified		469,664.23
Refunds		1,218,639.87

By provinces the revenue produced was as follows:

Prince Edward Island

	Number	Amount
Agrarians	21	1,644.31
Professionals	51	3,658.30
Employees	296	10,876.10
Merchants	75	12,354.98
Manufacturers	6	2,348.66
All others	59	7,814.47
Unclassified	...	....
Total	508	38,696.82
Refunds	...	861.04
Total	508	37,835.78

Nova Scotia

	Number	Amount
Agrarians	55	2,083.02
Professionals	387	48,761.84
Employees	5,498	245,417.23
Merchants	850	159,772.13
Manufacturers	50	140,902.67
All others	550	234,516.80
Unclassified	...	15,993.31
Totals	7,390	847,447.00
Refunds	...	37,757.64
Total	7,390	809,689.36

New Brunswick

	Number	Amount
Agrarians	14	1,084.45
Professionals	752	46,988.31
Employees	3,864	186,267.17
Merchants	701	159,583.92
Manufacturers	90	148,828.58
All others	561	210,867.90
Unclassified	...	12,976.38
Total	5,982	766,596.71
Refunds	...	12,222.82
Total	5,982	754,373.89

Quebec

	Number	Amount
Agrarians	42	3,775.93
Professionals	2,246	608,662.15
Employees	34,793	4,861,184.82
Merchants	3,034	1,588,913.48
Manufacturers	842	5,535,092.60
All others	4,177	7,436,084.01
Unclassified	...	113,986.75
Total	45,134	20,147,699.74
Refunds	...	468,691.44
Total	45,134	19,679,008.30

Ontario

	Number	Amount
Agrarians	530	19,351.33
Professionals	8,271	971,621.43
Employees	74,361	6,181,314.40
Merchants	7,511	3,546,405.70
Manufacturers	1,663	7,907,493.10
All others	9,854	7,216,673.44
Unclassified	...	216,566.99
Total	102,190	26,059,426.39
Refunds	...	527,892.89
Total	102,190	25,531,533.50

Manitoba

	Number	Amount
Agrarians	171	6,303.64
Professionals	649	151,490.35
Employees	16,741	1,000,878.14
Merchants	1,293	596,211.58
Manufacturers	95	274,634.27
All others	1,399	1,488,289.27
Unclassified	...	8,666.08
Total	20,348	3,526,473.33
Refunds	...	49,404.01
Total	20,348	3,477,069.32

Saskatchewan

	Number	Amount
Agrarians	1,494	71,335.47
Professionals	2,604	119,658.39
Employees	7,889	245,969.98
Merchants	1,486	314,009.42
Manufacturers	32	14,634.76
All others	944	113,932.92
Unclassified	...	11,824.61
Total	14,449	891,365.55
Refunds	...	19,337.52
Total	14,449	872,028.03

Alberta

	Number	Amount
Agrarians	668	52,608.51
Professionals	1,841	111,078.74
Employees	10,510	357,505.76
Merchants	996	297,360.34
Manufacturers	48	50,545.94
All others	878	317,111.14
Unclassified	...	3,369.28
Total	14,941	1,189,579.71
Refunds	...	25,668.55
Total	14,941	1,163,911.16

British Columbia

	Number	Amount
Agrarians	73	7,951.42
Professionals	2,576	165,603.52
Employees	14,434	865,165.16
Merchants	939	415,172.78
Manufacturers	183	828,906.93
All others	2,003	1,571,696.48
Unclassified	...	76,001.61
Total	20,208	3,930,497.90
Refunds	...	75,050.69
Total	20,208	3,855,447.21

Yukon

	Number	Amount
Agrarians	...	....
Professionals	18	2,557.45
Employees	508	18,516.11
Merchants	14	7,379.27
Manufacturers	...	....
All others	60	30,167.49
Unclassified	...	10,279.22
Total	600	68,899.54
Refunds	...	1,753.27
Total	600	67,146.27

HOW MANY OF EUROPE'S 28 NATIONS DO YOU KNOW?

The international bankers' manifesto recently issued, decried the large number of countries in Europe which are raising their tariff barriers.

How many of the countries in Europe could the average business man mention? Probably less than his 14-year son, who is at high school.

Here are Europe's economic and national units:

United Kingdom
France
Holland
Spain
Italy
Albania
Czecho-Slovakia
Bulgaria
Poland
Norway
Finland
Latvia
Greece
Russia (U.S.S.R.)
Irish Free State
Germany
Belgium
Portugal
Switzerland
Jugo-Slavia
Hungary
Roumania
Denmark
Sweden
Esthonia
Lithuania
Turkey
Austria

At least, that was the list a few days ago.

Industry Still Chief of Sources of Canadian Revenue, Leads Farms

Revenue from All Sources Declined in 1924 from 1923

ONTARIO RANKS FIRST

Is Chief Productive Province of Dominion, is the Tale Ottawa Statistics Tell

Survey of production values for Canada during 1924, made by the Dominion Bureau of Statistics, shows that out of the nine branches into which production activity is divided, only three showed an increase in net value above the 1923 figures. Agriculture, fisheries and electric power made gains which were more than offset by decreases in construction, and manufactures.

As compared with previous years, the value of production showed a decrease of 1.3 per cent. below 1923, and an increase of 7.3 per cent. over 1922. The net agricultural revenue for the year showed an increase of 3 per cent. over the preceding year, the lower crop yields being more than offset by the higher prices obtained for farm products. Construction experienced the greater relative decline, the decrease amounting to 12 per cent. A 4 per cent. reduction in the net production of manufactures indicates the minor recession in business which took place during the year. Another large increase was that of electric power, which advanced 11 per cent. over the 1923 figure.

Manufacturing Still in Lead

With regard to the relative importance of the various branches of production, manufacturing still retained its lead over agriculture, although its margin was reduced from 18 per cent. to 10 per cent. Forestry in third place, supplies 10 per cent. to the total production value of the country, fourth and fifth place being held by mining and construction respectively.

In comparing production by provinces, Ontario ranks first with 40 per cent., and Quebec second with 24 per cent. The three western provinces of Saskatchewan, British Columbia and Manitoba are next in order with approximate percentages of 9 per cent., 8 per cent., and 7.5 per cent. respectively. Alberta, which is largely agricultural, is sixth with 6.7 per cent., and the Maritimes are jointly credited with 6 per cent. An outstanding feature of the year's development is that net production increased 53 per cent. in Manitoba, due chiefly to profitable field crops. In Alberta and Saskatchewan the lower yields of grain were not offset by the higher market prices.

An analysis of Quebec's production shows that 53 per cent. of its production value is from manufactures and 26 per cent. from agriculture, the net production for the province showing a decrease for the year of about $15,000,000, due largely to a falling off in manufactures. In Ontario manufactures and agriculture combined form about 75 per cent. of the total, with the former nearly twice as important as the latter.

The compilation of statistics such as these present grave problems in that there is constant duplication in almost every line of production. The figures are, therefore, divided into primary and secondary processes, the first of which embraces agriculture fishing, forestry, mining and electric power; and the second, construction and manufactures. "Gross" production shows that the total value of all the individual commodities produced under a particular heading, and "net" represents an attempt to eliminate the value of materials consumed in the production process.

Praise Work of Boards

The colonization boards of Saskatchewan, operated under the C.P.R. department of colonization, are doing a splendid work in colonizing the province along right lines, according to Mayor Potter of Saskatoon and other speakers at the second annual meeting of representatives of these boards.

Canada's Income; How It Is Earned

Dominion Bureau of Statistics estimates net productive revenues of Canada at $3,018,000,000 in 1924. Comparative figures for four years show:

1921	$2,809,974,075
1922	2,939,313,953
1923	3,051,456,821
1924	3,018,182,081

But productive revenues come from the activities of only two-thirds of the total population. Adding one-half to the figures above, net income of the Canadian people (after deducting duplications) has totalled about as follows:

1921	$4,214,000,000
1922	4,409,000,000
1923	4,577,000,000
1924	4,527,000,000

Some details follow:

Revenues from Production in Canada
Calendar Year 1924.

	Gross Production	Net production; duplications eliminated
Agriculture	$1,530,481,735	$1,140,895,500
Forestry	433,816,948	311,265,847
Fisheries	56,014,651	44,534,235
Trapping	14,785,634	14,785,634
Mining	230,016,492	209,583,406
Electric power	95,169,768	74,616,863
Construction	287,687,809	187,114,415
Custom & repair	90,837,351	58,053,266
Manufacturers	x2,695,053,582	x1,256,643,910
	$4,930,417,387	$3,018,182,081

xFigure for manufactures includes $503,446,583 gross and $279,310,986 for production of dairy factories, saw mills, etc., and as these are included elsewhere, these amounts have been dropped from the grand total.

Production by Provinces
Calendar Year, 1924

	Gross	Net
P. E. Island	$24,378,343	$18,138,381
Nova Scotia	145,346,067	96,071,433
New Brunswick	127,429,891	78,298,070
Quebec	1,207,316,656	729,992,866
Ontario	2,147,755,210	1,217,764,312
Manitoba	279,328,851	190,022,463
Saskatchewan	330,903,240	237,254,471
Alberta	298,589,566	210,972,370
British Columbia	366,499,403	236,816,575
Yukon	2,860,160	2,851,140
Total	4,930,417,387	3,018,182,081

Redeem "Power" Stocks Next Week; Cash Ready

Redemption of the preferred stock of Montreal, Light, Heat and Power, Consolidated, at $50 a share and 75 cents of accrued dividends will be made on November 1. Arrangements have been made by the Montreal Trust Company to issue cheques to brokers for certificates presented, even in other brokers' names, to avoid the large amount of detail otherwise required to make the transfers. It is understood that in spite of heavy buying for short-term investment a large number of shares remain in hands of individuals. There is a belief that, just as has been the case with stocks already sold, a large portion of the cash received will be reinvested on Montreal Power common.

This preferred stock was issued last July when a change was made in the capital structure of the company. Each share of $100 par value common was exchanged for 3 new shares of no par value common and one new share of 6 per cent. redeemable preferred stock of $50 par value, redeemable at 30 days' notice.

Says $100,000,000 British Money Has Come to Canada

Commenting this week upon the general feeling that little British capital has recently come to Canada, a leading bank head said: "It must be remembered, of course, that for a time exchange was against the British, but here is an interesting item from a western paper:

"'Since the war more than $100,000,000 in British capital has been invested in Canada, according to a statement made by Sir Arthur Worley while in western Canada. Sir Arthur is general manager of the North British & Mercantile Insurance Company. British financiers, he declared, looked upon the Dominion as a favorable field for investment in many respects, and said that interest was growing in this connection.'"

Sugar Output in 1925 Broke All Prior Records

The quantity of all refined sugar produced in Canada during 1925 showed a 33 per cent. increase over production in 1924, and amounted to 1,171,496,000 pounds, which is the largest annual production ever reached in Canada. The previous high point was reached in 1922 when 1,148,104,000 pounds were produced. The chief factors responsible for this increase were probably the low cost of raw materials and the enormous increase in exports. The cost of production of a pound of sugar averaged 5.4 cents per year, which is the lowest in many years, and is reflected in an increased consumption which rose from 90 lbs. per capita in 1924 to a new high level of 94.4 lbs in 1925. Sugar exports, which amounted to 305,373,500 lbs., show an increase of over 260 per cent. above 1924 and were only equalled by an exportation of 316,550,000 lbs. in 1922. The increase in production was entirely due to increased output of cane sugar, the output of beet sugar showing a small decrease from 1924, which was the previous record for Canadian production.

Beet sugar showed an increased acreage for the year, which, combined with a better average yield, lowered the average value of the crop on a ton basis. During the year a new refinery was located at Raymond, Alberta, and the capital invested in the industry increased from $46,229,000 to $50,089,000. One rather interesting point is the tendency among the refineries to substitute oil as a fuel, instead of bituminous coal. The summary of production and consumption for 1925 and 1924 is as follows:

	1925	1924
Production—		
Gran., cane, lbs.	970,008,781	696,756,646
beet, lbs.	72,819,919	85,770,709
value, ($)	60,093,130	59,152,471
Total prod., lbs.	1,171,496,690	871,628,232
Total value, ($)	66,983,488	65,922,309
Imports—		
lbs.	17,719,936	42,926,370
($)	766,717	2,624,126
Exports—		
lbs.	305,373,500	84,029,266
($)	19,117,527	7,412,153

Cooksville Brick to Pay 4% Yearly on Preferred

In a letter to shareholders on the occasion of declaring a dividend on preferred Cooksville Shale Brick administation says:

"As you are aware, the fire which occurred in September, 1924, necessitated the re-building of a large portion of your company's plant at Cooksville, Ont.

"In carrying out the reconstruction, the lay-out of the plant as it existed before the fire was considerably altered and the work was not completed in all its details until the end of 1925.

"The operation of the newly constructed plant during 1926 has proven very satisfactory.

"In view of the results obtained, your directors have decided to initiate dividends upon your company's preferred stock at the rate of one per cent. quarterly. The first quarterly dividend of one per cent. has been declared, payable on December 15 inst., to shareholders of record November 30."

Western Financial Affairs

We invite correspondence regarding investment in British Columbia, particularly those relating to property for business or residential purposes, mortgages, management of properties, insurance and securities.

A special department is given to negotiations in retail businesses which are for sale.

Pemberton & Son
Financial Agents
418 HOWE STREET
Vancouver, Canada

ART IN METAL

Mitchell Metalcraft is known throughout Canada for its beauty and expert workmanship. Skilled hands bring out a pleasing contrast of natural metal colouring.

In our leading banks, financial houses and public buildings it lends a tone of dignified quality to the service it renders.

THE ROBERT MITCHELL
CO., LIMITED
MONTREAL

1926
MITCHELL METALCRAFT 75th YEAR
JUBILEE YEAR

Architectural Bronzes
Bronze and Brass fixtures
Hammered and Wrought Iron
Frink Lighting Equipment
Metal Signs and Shields

Handle Ford Sales in South

E. O. Austin, of the Ford Motor Co. of Canada, Ford, Ont., left for Java the last week of October, to organize the sale of Ford cars in the South Seas.

Until now he has been in charge of the insurance and safety departments for the Ford Motor Co., in its Canadian plants.

"The motor game," said Mr. Austin, "is growing every day, and the use of cars in even the remote parts of the earth has required the arrangement of systematic distribution methods in the South Seas. My headquarters will be at Java and the territory, including New Guinea and the Straits Settlements, covers a wide range.

McDougall & Cowans
Members of the Montreal Stock Exchange
130 St. James Street
STOCK BROKERS
HALIFAX SAINT JOHN, N.B. QUEBEC
OTTAWA TORONTO WINNIPEG
MONTREAL
Direct Private Wire to all Branches and New York

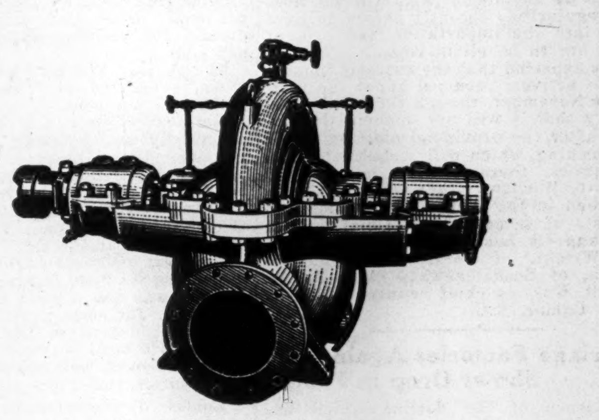
Speedy
Long Distance Service

You are receiving a Long Distance service today that is so much speedier and more efficient than it was two or three years ago that there is really no comparison. We are continually receiving letters from subscribers confirming this statement.

So many more people now use Long Distance that how to speed up the service has become with us a continuous occupation.

THE BELL TELEPHONE CO
OF CANADA

4,000,000 GALLONS
A DAY



Our illustration is drawn from an Inglis Centrifugal Pump (4,000,000 gallons per 24 hours) at Drifting Sand Pumping Station, Filtration Plant, Toronto.

The Inglis Centrifugal Pump such as pictured on the left is giving day-in-day-out 24 hour pumping service at the Drifting Sand Pumping Station, Filtration Plant, Toronto.

Perfectly built, hydraulically balanced, embodying only the simplest, trouble free designs, these pumps are demonstrating daily throughout the Dominion what 60 years of experience has taught the John Inglis Company about manufacturing and engineering.

Our Consultation Service is free. There is no obligation for advice on your engineering problems.

The John Inglis
COMPANY LIMITED
14 STRACHAN AVENUE, TORONTO, ONT.
405 POWER BUILDING, MONTREAL, P.Q.

EXPERIENCED INVESTORS

are familiar with the financial background of the Canada Permanent, and appreciate the merits of Canada Permanent Bonds. For more than half a century, these Bonds have been a favorite investment of thousands of people who wish to rest secure in the knowledge that their money is safely invested.

The Bonds are now being issued in sums of $100 and upwards for periods of from one to five years. They bear interest at

FIVE PER CENT.

per annum, payable half-yearly.
Please let us send you full particulars of these time-tested Bonds.
They are a Legal Investment for Trust Funds.

CANADA PERMANENT MORTGAGE CORPORATION
14-18 Toronto Street Toronto 2
Established 1855

GOVERNMENT PAID FOR BAD MISTAKE IMPORTER MADE

Hardware and Metal Finds New Material For Customs Judges

Hardware and Metal this week makes further charges of unbusiness-like methods in customs administration. It is alleged that a government inspector recently held up a shipment of binder twine at point of importation because of the fact that it was incorrectly labeled as regards length and quality of fibre. The price at which the twine was being imported was such as to bring it dangerously near, if not actually to, the place where it would be liable for dumping duty, but the dumping clause of the tariff provides that the following goods shall be exempt from such special duty: "Binder twine or twine for harvest binders manufactured from New Zealand hemp, thistle or tampico fibre, sisal grass, or sunn, or a mixture of any two or more of them, of single ply and measuring not exceeding six hundred feet to the pound."

It is quite apparent from the foregoing that the deliberate wrong labeling of fibre and length may have have been for purposes of avoiding any liability for dumping duty. The point is, however, that the wrong labels were placed on the twine, and, when the matter was brought to the attention of the customs department by the inspector, he is said to have been given an order of "hands off" for the stated reason that no action could be taken until the twine "was offered for sale." The result, according to information secured by Hardware and Metal, was that this twine very largely came into consumption with the wrong labels on it, thus deliberately leading buyers astray. The difficulties of handling such a situation once the twine is sent throughout the country to distributors to be offered for sale are quite obvious, and, as long as the customs department supports such a ruling, it is making itself a party to the deliberate deception of the Canadian buyer of binder twine and making it practically impossible for inspectors to do effective work in checking up deficient products.

Reimbursed for Labeling

In another case, where orders were given by the binder twine inspector for the re-labeling of an incorrectly marked shipment of binder twine, the importer is said to have made such loud complaint to the customs department that he was reimbursed by the government for the cost of re-labeling. Why the Canadian government should pay an importer to take necessary steps to comply with governmental regulations is something which tests the credulity of the average Canadian, and it is a matter which should be investigated immediately by the Royal Commission.

As a matter of fact, it is quite evident from the large number of complaints being made about binder twine that there is, to say the least, inadequate inspection, and this is little to be wondered at when one considers the changes which have taken place in the inspection service. Up until about three years ago there was a full-time inspector of binder twine, and there were a large number of penalties and fines levied. This condition had a very restraining effect upon breaches of the customs regulations governing twine and, under that condition, there was little complaint. Following the death of that inspector the work of inspecting binder twine was added to the duties of government seed inspectors, and since that time there has been little curb upon irregular practice in connection with this product. The seed inspectors devote only a very small portion of their time to binder twine, and the inspection service is now absolutely inadequate to cope with the situation. Steps must be taken immediately to tighten up on this inspection if the host of irregularities recently shown to have crept into the importation and sale of twine are to be eliminated.

It is expected that the customs inquiry will be actively resumed about the middle of November, though there is a possibility that it will not open in Ontario until after the provincial election. After the opening, which will probably be held in Ottawa, there will be hearings in Toronto, Windsor, other Ontario points, and then in the West. The commission consists of three judges: Chief Justice Sir Francois Lemieux, of Quebec; Justice Wright, of Ontario, and Justice Brown, of Saskatchewan, with N. W. Rowell, K.C., as chief counsel, aided by R. L. Calder, K.C.

Carriage Factories Again Shows Drop in Profits

Evidence of the decline which has taken place in the carriage-making industry in Canada is afforded by the annual statement of Carriage Factories, for the fiscal year ended July 31. Deficit on operations, which amounted to $503,482 at the end of the previous year, increased to $635,367.

Current assets are down to $11,942 from $78,898, and current liabilities are shown at $2,083, as compared with $85,222. This leaves a net working capital of $9,859, which represents an improvement over the previous year, when a deficit of $6,324 was reported. Total assets as $2,142,352 compare with $2,833,226, a decrease of nearly $700,000.

The company's funded debt has practically disappeared, there being only $2,500 of first mortgage 6 per cent. bonds outstanding, as against $445,500 a year ago. Cash is up to $2,309, compared with $304. Accounts and notes receivable amount to $5,116, compared with $47,736, while inventories have decreased to $4,517 from $30,858. The redemption of outstanding bonds almost completely absorbed the sinking fund of $476,445 shown in the previous year, this account now standing at $3,021.

Among the liabilities a reduction of $2,500 is shown in the loan of $12,500 from the town of Orillia, and there is no bank loan as against $68,930 previously reported.

Arvida Works Moves Forward

Since the first of June the building programme which has been undertaken by the Aluminum Company of Canada for the creation of the city of Arvida, on the upper reaches of the Saguenay River, has made excellent progress. Some 300 dwellings have been built, which take care of the immediate population of the city, and from this point forward new dwellings will be built as needed. The city now includes banks, clubs, shops, recreation centre, and other public and semi-public buildings as well, so that it is becoming quite complete.

Investing Corporation Reserves With Profit and Security in View

(Continued from page 10)

per cent. bonds, due 1946, price 98.50 and interest.

$10,000 St. Lawrence Paper mills 6½ per cent. bonds, due 1936, carrying stock purchase warrants, price 100 and interest.

500 shares ($5,000) Muirhead's Cafeterias, 7½ per cent. preferred stock, price $10 per share plus a bonus of one share of common with every ten of preferred.

$10,000 Gatineau Power Co., 5 per cent. bonds, due 1956, price 94¼ and interest.

The St. Lawrence Paper Mills 6½ per cent. bonds, due 1946, are a first mortgage on the entire assets of the company which amount to approximately $11,500,000 or $179 for each $100 bond.

The 6½ per cent. bonds, due 1936, are part of a ten year mortgage issue of $2,000,000.

The new restaurant of Muirhead's Cafeterias on Adelaide St., is well under way, and the management expect that the cafeteria will be in operation about the first of November.

Gatineau Power Co. is a privately run concern under able management and will be one of the leading power companies in Canada.

Hanson Bros., Montreal.—Regarding suggestions for the investment of $25,000 suitable for reserve funds, we make the following:

As the company apparently has a sufficient amount of what might be termed "immediately liquidable investments" to provide for any reasonable contingencies, it might be justifiable for them to buy securities which possess security plus a higher than ordinary yield and to a certain extent sacrifice quick saleability. Therefore, certain seasoned, high grade bonds or dividend paying stock giving a good return, even though they be somewhat inactive from a market standpoint, would be suitable. The following list, is submitted as showing the general class of investments which we would ourselves suggest:

Gatineau Power Co., 6½ per cent. debentures, due 1941, at 99½ and accrued interest, to yield 6.05 per cent.

Alberta Pacific Grain Co., 6 per cent. first mortgage bonds, due 1946, at 98 and accrued interest to yield 6.15 per cent.

Spanish River Pulp and Paper, 7 per cent. participating preferred stock at about 116, to yield 6.03 per cent.

Canadian Converters Co. common stock at about 94, to yield about 7½ per cent.

In addition to the foregoing, we would recommend an investment in the new issue of Montreal Light, Heat & Power Consolidated 5 per cent. refunding and collateral trust gold bonds, at about 99½ and accrued interest, to yield over 5 per cent. This security is of the highest class.

W. A. Mackenzie & Co., Toronto.—In our opinion, the answer to your enquiry depends largely on whether it is a private corporation or whether it is a company in which the public generally have money invested. If it is a private company, then they can invest in anything they like so long as the current liabilities are provided for. If it is a public company then the reserve fund, in our opinion is, to a large extent, trustee money. You state the funds of the company thus far are in government bonds. In the case of a private company, this class of investment might properly be extended to good municipals.

McLeod, Young, Weir & Co., Toronto.—The following suggestions combine high grade security with liberal yield and offer substantial chances of appreciation in value:

$5,000 Gatineau Power Co., 5 per cent. bonds, due 1956, price 94 and accrued interest yielding 5.40 per cent.

$5,000 Northern Ontario Light & Power Co., 6 per cent. bonds, due 1946, price 101, and accrued interest yielding over 5.90 per cent.

$5,000 Minnesota Paper Co., 6 per cent. bonds, due 1945, price 99½ and accrued interest yielding $6.05 per cent.

50 shares Loblaws Groceterias Co., 7 per cent. prior preference stock, price around 105 yielding approximately 6.05 per cent.

50 shares McColl Bros. preferred stock, price 100 and accrued dividend yielding 7 per cent.

Gatineau Power Co. bonds will be practically an operating charge of the Ontario Hydro-Electric System, and hence the Province of Ontario, and will be further secured by revenues which will be derived from contracts with the Canadian International Paper Co., and the Canada Cement Co.

Northern Ontario Light & Power Co. is earning its bond interest by an ample margin, and has a good record of earning power for some years past.

The Minnesota & Ontario Paper is earning its bond interest approximately 3½ times over, before interest charges, depreciation and taxes.

Loblaw Groceterias prior preference stock is non-callable, although 10 per cent. of the company's net profits each year must be devoted to stock purchases for the sinking fund. Dividend requirements last year were earned in excess of 9 times, and it is understood that results during the current year are even more saisfactory than during 1925.

Nesbitt, Thomson & Co., Montreal.—We would suggest the purchase of high grade public utility or corporation bonds yielding, let us say, from 5¼ per cent. to 6¼ per cent. In carrying out the policy of this company there is no reason why it should not diversify its holdings. We would recommend the following:

$5,000 Southern Canada Power Co., 5 per cent. first mortgage bonds, due 1955, at 97, and accrued interest yielding 5.20 per cent.

$5,000 Winnipeg Electric Co., 5 per cent. first mortgage bonds, due 1935, at 97.97 and accrued interest, to yield 5.50 per cent.

$5,000 Laurentian Power Co., 6 per cent. first mortgage bonds, due 1936, at 103¼ and accrued interest, to yield 5.55 branch, has been appointed manager, per cent. (Controlled by Shawinigan Water & Power Co.)

$5,000 Manitoba Power Co., 5½ per cent. bonds, first mortgage, due 1951, at 98 and accrued interest to yield 5.65 per cent.

$5,000 Canada Steamship Lines 5 per cent. first mortgage bonds, due 1943, at 96 and accrued interest, to yield about 5.90 per cent. Payable at maturity or by call at 105 and accrued interest. Average yield about 5.55 per cent.

After investing a satisfactory proportion of the funds that from time to time will be available, in securities of this kind, the company might look for somewhat higher interest returns, still, however, investing only in first mortgage bonds of well established public utility and industrial corporations having proven earning power.

Royal Securities Corporation, Montreal.—We would recommend purchase of the following securities for the investment of reserve funds referred to:

Ottawa Traction Co., 5½ per cent. first mortgage and collateral trust sinking fund gold bonds, series "A," due 1955, at 101½ and accrued interest, to yield over 5.40 per cent.

Canadian Salt Co., 6 per cent. first mortgage sinking fund gold bonds, series "A," due 1946, at 103 and accrued interest, to yield about 5.75 per cent.

Gatineau Power Co., 6 per cent. sinking fund gold debentures, due 1941, at 99½ and accrued interest, to yield 6.05 per cent.

We are offering these securities, realizing that security is the first consideration.

Wood, Gundy & Co., Toronto.—We observe that this firm now holds $25,000, chiefly in Dominion of Canada bonds and we have pleasure in suggesting the following:

We think the firm might well retain approximately $5,000 of Dominion of Canada bonds which it now holds because we believe it to be a good policy on the part of all investors to allow a portion of their funds to remain in the highest grade of securities, so that a portion of it will be instantly marketable under every conceivable circumstance. We believe the remaining $20,000 might well be invested in the following:

$5,000 Montreal Light, Heat & Power Consolidated 5 per cent., first refunding and collateral trust bonds, due 1951, price 99.50 and interest, yielding over 5.03 per cent.

$5,000 Montreal Tramways Co., 5 per cent. general and refunding bonds, due 1955, price 94 and interest, yielding 5.40 per cent.

$5,000 Anticosti Corporation 6½ per cent. first mortgage bonds, due 1941, price 102 and interest, yielding 6.30 per cent.

$5,000 St. Maurice Valley Corporation 7 per cent. cumulative preference shares, price 98 and accrued dividend, yielding about 7.41 per cent.

We believe that the foreging will provide your correspondent with the desired measure of security and with a higher income than he is now receiving. You will notice that his investment fund would be divided as follows: Dominion of Canada bonds 20 per cent.; public utility bonds, 40 per cent.; industrial bonds 20 per cent.; preferred shares 20 per cent.

£

What Does "Succession Duty" Mean to You?

To assist you in determining just how succession duty rates in Ontario will affect your estate, we have prepared a digest of this Act in an easily understandable form which we would be pleased to mail you upon request.

THE
STERLING
TRUSTS
CORPORATION
10-12 East King St., TORONTO
Branch:—REGINA

MORTGAGE LOANS
Funds available for Loans on the security of improved Farm Lands
OSLER, HAMMOND & NANTON LIMITED
WINNIPEG
Representing:
Law Union and Rock Insurance Co., Ltd. — Osler & Nanton Trust Company.
North of Scotland Canadian Mortgage Co., Ltd. — The Dominion and General Trust Limited.

OSLER & HAMMOND
F. G. OSLER — G. T. CHISHOLM
H. F. MARRIOTT — H. FRANKS
Stock Brokers and Financial Agents
Members {Toronto Stock Exchange / Montreal Stock Exchange}
21 JORDAN STREET, TORONTO

THE STANDARD TRUSTS COMPANY
OF WINNIPEG, MANITOBA

INVITES the patronage of Western people as well as that of Eastern people having interests in the West requiring attention.

Nearly a quarter of a century in business, it was the first Trust Company to operate west of the Great Lakes, having its head offices there, and, with a Directorate of leading business men, well versed in Western affairs, it is capable of giving unquestionably good advice to all clients and patrons on matters fiduciary.

It is especially equipped to handle executorships, administrations, and trusts of all kinds, investments, rentals and other collections.

BRANCHES: SASKATOON, EDMONTON LETHBRIDGE, VANCOUVER

SASKATCHEWAN
"THE WORLD'S WHEAT BIN"

In Wheat Exports Canada Leads all the World

Saskatchewan
Leads all Canada

SASKATCHEWAN'S Dominant Dailies together with Saskatchewan's only Farm Magazine, give maximum concentration, tremendous buying power and (with a combined circulation of over 85,000) complete coverage in this Great Market at an unusually low outlay.

Morning Leader and Evening Post
REGINA

Morning Phoenix and Evening Star
SASKATOON

Saskatchewan Farmer - Semi-Monthly, REGINA

Eastern Manager: A. E. Ford, 1105 Bank of Hamilton Building, Toronto
Phone Elgin 4672

UNIFORM BUILDING CODE TO PROTECT FROM FIRE NEEDED

Towns Just Grow and Create Hazards as They go Along

By J. CLARK REILLY,
Association of Canadian Construction Industries.

We have been "marking time" in Canada since the war, and there is probably no sphere where this is more evident than in the building and construction industry. We all have hopes that in the near future our country will see the commencement of a new era of increased immigration, development of resources and commercial and industrial activity. This will in turn mean that there will be a demand for new homes, schools, churches, stores and factories, as well as new roads, bridges and railroads.

In looking forward to this period it should be our duty to profit by the experiences of the past. We have all seen towns in Canada, which, like Topsy, just "growed up." We will be faced with similar conditions in the new centres, now in process of formation, where the water powers are being developed. There will also be other settlements, caused by any number of factors, where the same "higgledy - piggledy" methods will prevail unless means are taken to prevent them.

There are certain elementary facts connected with the construction of buildings which are well known, but constantly forgotten. They are omitted, sometimes through ignorance, often by intent. In a new community, especially where there is a boom or rush, they are often not thought of until some catastrophe forces them upon an awakened public conscience. Too often, "the stable door is locked after the horse is stolen," which in the terms of fire prevention can be interpreted "someone has to be burned to death before we buy fire extinguishers."

Suggest Uniform Codes

There ought, first of all, to be some series of uniform building regulations or codes, classified by grades for towns of say 1,000, 5,000, 10,000 etc., which could obtain the approval of all our provincial authorities. Too frequently, a town is well under way before anyone thinks of having a building code at all. It is only when some newcomer, foreigner, or a person with less conscience than the average citizen attempts to put up a building which outrages public decency, that people get aroused. Yet how often, even in more settled communities, we will use a building we know to be "a regular fire-trap."

Second, the duty should be definitely placed for enforcing these regulations, right from the start. The town clerk, the town constable, the reeve, or the poundkeeper, at any rate someone, should be charged with this duty. "What's everybody's business is nobody's business," or again interpreting in fire prevention terms; "If you want a fire chief, you have to first buy a white helmet."

In the building codes I have just mentioned, there should be incorporated a number of simple regulations, at once well known and capable of easy enforcement. There is the planning of the town, the slashing away of the bush nearby, and the proper placing of the buildings on the lots. In addition, the regulations should provide very definitely some obvious precautions to be taken in the erection of the homes, outbuildings, stores and factories, motion pictures houses, theatres, churches and schools. These are so obvious and so well known that I would hesitate to even mention them but for the fact that they are so frequently forgotten or omitted.

New Towns Use Lumber

In most of our new towns, lumber will be the material which will be most generally used, except in certain model company-towns. The first problem, therefore, in a country like ours, where we have to heat our buildings eight months of the year, is to see that the stoves, furnaces, and fittings are properly insulated, or isolated. Even a sheet of tin on the floor or against the wall has a certain value, but to-day galvanized iron, asbestos sheets and various gypsum products are easily obtainable. Their use around the fire units should be compulsory.

The chimney is another danger point. Here again there is no lack of information as to the right way to build, but only too frequently the most elementary safeguards are ignored. There should be a proper thickness of brick, or tile flue-lining with mortar of sufficient strength and quantity. The practice, only too common, of running floor joists into the brickwork of the chimney should not be allowed under any consideration.

Stopping Fires From Spreading

There are also simple precautions known as fire-stops, by which the danger of fire spreading even in a wooden house, can be minimized. A reputable carpenter knows of them, but often in a newer community where the homes are built by the owners in many instances, they are never put in, and if a fire starts in the walls it has nothing to retard its progress.

The use of cement, and cement blocks, for partitions and walls, is often possible in a new community where brick is difficult to obtain Cement chimneys may also be found possible, either cast or block. Here again care must be taken to see that the cement is of proper proportions to give strength to resist the flame

Guarding Public Place

In addition to these rules, there are also very obvious safeguards to be observed in the erection of stores, movie houses, theatres, churches and schools. The heating apparatus should be placed away from the exits in addition to being well protected. Supplies of coal oil, gasoline, paints, varnishes, paper and matches ought to be kept in isolated divisions or in specially constructed outbuildings. Sufficient aisle space, out-opening doors, and wide stairways are necessary.

These are some of the very simple, very obvious, but very necessary construction safeguards which should be provided for our towns of the future in our newer Canada.

I would like to emphasize the need for better safeguards, not only in the newer places, but in our older centres. Two widely different instances I will venture to mention. One is the hazard of fire in buildings under construction, where a great deal of lumber is used, even in building fire-resisting structures. A constant source of danger are the "salamanders," left burning all night when drying plaster or concrete, and supervised only by a night watchman.

The other, strangely enough, has to do with fire sprinklers. In one instance, it is said that the owners of a building were permitted by their insurance people to shut off the sprinklers in the attic space between the top floor and the roof, during the winter, to save heating that part. Fire broke out there and there was no water in the pipes and so the flames got a good start, the fire brigade had to work from adjoining buildings, and in addition to fire damage there was heavy loss from water flooding. I understand that this could have been prevented by some air pressure method, but evidently this safeguard was not provided in the construction of this particular building if, my facts are correct.

Construction safeguards have never been so numerous, so easily obtainable and so readily installed as to-day. They should be provided by the builder, under the compulsion of the community, both in the older and more settled centres, and also in the newer places which will soon be springing up in districts which were "back in the bush" only a few years or months ago. The menace of fire knows no religious or racial distinction, and its prevention is one of the most elemental and basic requirements of our community life.

Lloyd's, Backbone of British Business, Is Club of 1,000 Bulls

World's Oldest Insurance Organization is 238 Years Old and Will Insure Anything Except Your Life — Members Profit from World Pessimism

What is Lloyd's? It is not an insurance company, as most people think. Rather is it only a club or association or as Herbert N. Casson calls it in Forbes Magazine, "an association of 1,000 optimists." It gives odds on anything and profits by the fact that most troubles never happen.

There are eighty-five insurance companies in Great Britain, but Lloyd's is the oldest. Ten of these companies are over 100 years old, but Lloyd's has been going, without a break, for 238 years.

Lloyd's is not, strictly speaking, a company. It is a club or an association of individual speculators.

It has 1,000 active members, 100 associate members and several hundred outside subscribers. Also, it has 1,400 agents in all parts of the world.

Lloyd's stands alone. It has no association with anything else. It has no limited liability. It is not supervised by any government department. It stands by itself—high above the transient governments that come and go.

Lloyd's is unique. There is no other association or company in any country with which it can be compared.

It is a cross between a shipping agency, an insurance company, and a betting club. It is a body of financiers who deal in risks and uncertainties.

Mr. Casson tells something of the risks underwritten by Lloyd's.

Lloyd's has a premium income of $150,000,000 a year. This, divided among 1,000 members, is not so bad. About $90,000,000 of this comes from marine insurance, and the rest comes from all manner of insurance except life, which Lloyd's lets severely alone.

Lloyd's will not insure a man's life, but it will insure anything else, anywhere. It covers the world with its bets.

Paderewski has his fingers insured at Lloyd's. Once, Madame Genee—the dancer—had her two great toes insured for $10,000 apiece.

Insurance Against Sore Throat

Several years ago I was asked to give a lecture in Queen's Hall, London. The committee that was handling the lecture was afraid that I might have a sore throat. They rushed to Lloyd's. They paid $45 for a $1,500 policy. I did not have a sore throat. Lloyd's won $45.

If a farmer in West Africa is afraid that a host of white ants will devour his crops, he can take out a policy at Lloyd's to protect him.

A great deal of rain insurance is taken out every year at Lloyd's by people who are giving fetes, or any sort of outdoor sports.

During the last presidential election in the United States, Lloyd's quoted 100 to 9 against the chance of Henry Ford being nominated and elected.

The main business of Lloyd's is to insure ships, but its actuaries have figures showing the general averages in almost all the activities of either man or nature.

Lloyd's is based upon the dependability of averages. Thousands of losses have come crashing down upon Lloyd's during the last two centuries but the Lloyd's men have always made their odds according to the average, so that the premiums in any ten years have always been more than the payments.

Lloyd's will give you odds on any matter, big or little. "Anything from twins to appendicitis," say the jolly members of Lloyd's.

You may take out a policy which will remunerate you in case a certain horse does not start in a race—or whether Russia will be admitted to the League of Nations.

Lloyd's wagered, recently, that Mrs. Corson could not swim the English Channel. She did. Lloyd's lost $100,000. Walter Lissberger won. He received odds of twenty to one. If Mr. Lissberger were to try to place a second wager, he would find that the odds were not so generous.

Even where there are no actuarial estimates, the speculators of Lloyd's will take a chance. Whenever they have a purely speculative wager, they divide it up amongst them. It is very seldom that a single member will carry a large risk without sharing it with others.

Face Risks Without Fear

Few business men can face a risk without a fear. Lloyd's can. Most business men take a short view of life; they live from day to day. Lloyd's, on the contrary, takes a long view of life; it lives from century to century.

Ever since 1688 Lloyd's has made millions by taking over the risks and responsibilities of the people of Great Britain.

Lloyd's, in fact, is the original Optimists' Club. Its members are professional optimists. Their motto is, "Most troubles never happen."

Lloyd's is an association of 1,000 bulls. Not one bear in the lot. No pessimist nor destroyer of values ever has been, or ever could be, a member of Lloyd's.

The 1,000 hardy men in this fine old association are the shock-troops of the financial world. They face dangers. They stand between a timid man and his fears. And they take in $150,000,000 a year and never miss a meal, and live with all the comforts of life, and reach a serene old age. There is an amazing fact for timid men and pessimists to think about.

Does pessimism pay? If you want to know, ask Lloyd's. Lloyd's cannot understand pessimism. It is based on faith—on faith and courage and statistics, and a sporting view of the progress of the world.

Lloyd's believes in the future. It backs the future every time—the future against the present.

"The just shall live by Faith," says the New Testament. Well! Lloyd's does. It is the one best shining monument of Faith that has ever been produced by the human race.

Lloyd's is 238 years old. It has never failed nor missed a payment. It has a better record than any bank in the world.

Solidity of Lloyd's

The solidity of Lloyd's! That is what most impresses anyone who studies it. Although it faces a hundred times more dangers than any business firm does, it is as solid as the Rock of Gibraltar.

"The more fears, the more premiums!" So say the wise old members of Lloyd's. They prepare for the worst, but they never expect it. Every member is required to deposit $25,000 in the reserves before he is allowed to be a member.

Also, every member is held responsible for his losses "to the full extent of his worldly possessions," according to the original articles of association. Nothing but a loss of more than $25,000,000, all at once, can ever shake the security of Lloyd's.

Once, away back in 1830, a banker went to a member of Lloyd's to insure $2,500,000 worth of gold bullion. "I'll take the whole amount myself," he said, "and if you are not satisfied with the security, I'll deposit government bonds with you for the full amount." That is the offhand way that risks are dealt with in Lloyd's.

As for panics, depressions, bear markets, and all such incidents, Lloyd's simply raises the odds and carries on. Never once, in its 238 years of risk-taking, has it ever suspended or closed its doors or asked for a moratorium. Banks have done that, but Lloyd's—never.

During the war, when the German submarines were sinking ship after ship, when so many ships were being sunk that the people of Britain were short of food—twice, during that period of gloom, I ran up the stairs of Lloyd's to see what was happening.

On both occasions there were plenty of serious faces, but there was no suspension of the day's work. "Business as usual," said one of the members.

The premiums were raised. Never, before nor since, have they been so high as they were during that period of the submarine terror; but no shipowner was refused a policy. Ships went down by the score—by the hundred, but Lloyd's continued to bet that they would escape.

What is more, there is no quibbling over losses. There is very seldom any litigation, unless there is evidence that the loss is a fraudulent one. There is no delay. Lloyd's pays. Everyone in Great Britain knows that.

Not only does Lloyd's save people from the fear or risk, but it diminishes risks as well. It has done more than any government to reduce the risks of traveling by sea.

It has created standards of security as well as of integrity. The highest certificate that any ship can have is—"A-1 at Lloyd's."

Sea is Safe To-day

In fact, the sea is to-day as safe as the land, in spite of its storms. It may even be a trifle safer, now that there are 21,000,000 motor vehicles on land.

A sailor lives as long as a coal miner. On an average there is only one fatal accident per year in every 100 ships.

There are 60,000 ships on the high seas, with more than 400,000 sailors; and the death-rate, at present, for sailors is only four per 1,000.

Usually, not more than 150 passengers a year lose their lives at sea, whereas six times as many lose their lives on the streets of London. And this safety at sea is very largely due to the measures of protection originated by Lloyd's.

As you may imagine, there are dramatic moments in Lloyd's. There are shocks—thrills—enthusiasms.

The worst day that the present members of Lloyd's can remember was the day the "Titanic" went down. The "Lusitania," too, made a black day for Lloyd's, but its loss was partially expected. The "Titanic" went down in a time of peace—went down on her maiden voyage, with bands playing, and 1,500 passengers on board.

There is a famous old bell in Lloyd's—the Lutine Bell. It was taken from a wreck. It is rung once for a loss and twice for an arrival, when a ship is long overdue.

Whenever a ship is several weeks overdue, and the loud clang of the Lutine Bell is heard—ONCE—a thrill goes through 1,000 hearts in Lloyd's. Every one knows, then, that the ship has been lost.

There is a dramatic moment, too, when the captain of a lost ship enters the portals of Lloyd's and goes to the "Captain's Room."

Judgment Seat of Captains

This dreaded room is the judgment seat of captains. Every captain who loses his ship is obliged to go and face a Lloyd's tribunal. He must tell how and why he lost his ship. If he fails to pass this ordeal successfully, he can never have another ship. Practically every captain on the seas holds his position by the goodwill of Lloyd's.

Then there is the "Chamber of Horrors," as the members laughingly call it. This is the room where the casualty board is, and the loss book. As you may guess, the members pay frequent visits to this room.

Visitors are not encouraged at Lloyd's any more than they are in a stock exchange. The best time to go through is at night, as it is never closed.

Lloyd's is run on three shifts, as it is a world institution, and ships are run by night as well as by day. The night force is, of course, a comparatively small one.

For over 150 years Lloyd's has occupied a corner of the Royal Exchange. It has no building of its own, but it is now erecting a magnificent new building in Leadenhall Street—about 100 yards from its present position.

This new building will cover an acre. It will cost $6,000,000.

Covers World Gathering News

One of the secrets of the prosperity of Lloyd's is its wonderful news-gathering service. It has a pair of eyes in every port in the world.

It receives reports every day from 150 signal stations in all parts of the globe as to the arrival and departure of ships, and as to wrecks, strandings, and salvages.

It publishes "Lloyd's List," which is the second oldest newspaper in England. Also, it publishes "Lloyd's Register" once a year—a huge book weighing fourteen pounds, full of data with regard to ships.

As to the original Lloyd, he was not a financier. He was the keeper of "Lloyd's Coffee House," a small restaurant where insurance brokers met together.

For the first fifty years the little group of marine insurance men met at this "Coffee House." They adopted Lloyd's name and made it famous.

Their present offices are still arrayed in coffee house style, with mahogany tables, separated by partitions like stalls. Privacy without closed doors—that is the idea at Lloyd's.

The "Father of Lloyd's," as he is called, was a German named John Julius Angerstein. He was born in St. Petersburg in 1735 and died in London in 1823.

He was a man of high character, greatly esteemed in London. It was he who planned Lloyd's and laid the foundation of its greatness. He was well known as an art collector and left a magnificent collection of paintings to the National Gallery.

Such is Lloyd's—the home of British optimism and pluck. No doubt, it has done more to build up the financial greatness of Britain than any other one influence.

Shipping Man Thinks Welland Canal Will Not Cut Grain Rates

(Continued from page 1)

canal lowering the grain rates materially is that they cannot foresee any great demand for return cargo space from any Canadian port.

"Even our small boats come back light," it was explained, "except for a quantity of special ore we bring up about twice a month. The pulpwood trade appears to be growing, but we have to run away down to the Gaspe peninsula to get that, and it is often more expedient to run back from Montreal light for grain, especially in the fall rush."

No Aid to Maritimes

This man does not see any particular advantage in the possibilities of a coal-carrying trade from the Maritimes for the same reason that he is not enthusiastic about running his vessels to the Gaspe peninsula for pulpwood. And he also anticipated a phase of the Duncan report on the Maritimes when he said that he could not see that the Welland canal benefited the Maritimes at all, although Dominion-wide revenue had built the old and were building the new. Another Buffalonian who is something of an authority on canals and inland shipping said that he could see that the Welland canal at the St. Lawrence system is a positive detriment to the maritimes, since this canal system upbuilt Montreal as a grain port, whereas Halifax and St. John should have displaced Portland, Me., as soon as Canadian railroads obtained their Eastern terminals in Canada.

The same authority added that a former Canadian cabinet minister had declared privately that the interest on the money being spent on the Welland canal or what will be spent by the time it is finished on the usual government scale, would pay the rail freight rates on every bushel of grain from the originating point in the Northwest to Montreal.

"I believe that to be true," said the Buffalo authority.

Buffalo View on St. Lawrence

As for the St. Lawrence canalization-power project, this United States taxpayer was dubious of its merit. The canal he thought would be an additional help to the lower St. Lawrence, but he could not see that the United States would find it worth while to go into the proposed partnership. If Canada were disposed to venture upon her own, however, it was gathered that this shipping man and Buffalo taxpayer would be interested in watching the result.

As for the flour-milling industry, he sees a rival for Buffalo not in Port Colborne or in Minneapolis, but in Montreal. Montreal, he said, is just as advantageously situated as is Buffalo for drawing all kinds of grain from every source on this continent, and he said he expected to see an enormous business built up there if the elevators and harbor facilities are made adequate for all emergencies.

"They've made great progress there in the last few years," it was added, "but some business has come to Buffalo this year because of the ocean-shipping situation due to the British coal strike. We have had boats tied up at Montreal for ten or twelve days waiting to unload. That costs money. We have even sent boats on down to Quebec to unload because it was quicker than waiting, although in the spring we would have wanted an extra rate for taking the cargo that much farther."

We own and offer:

$325,000

Quinte and Trent Valley Power Company
Limited

7% Cumulative Preference Shares

The Cumulative Preference Shares are fully paid and non assessable, preferred as to assets and dividends, entitled to preferential cash dividends at the rate of seven per cent per annum payable quarterly, April 1st, July 1st, October 1st and January 1st, by cheque at par at any branch in Canada of the Company's bankers (Standard Bank of Canada). Redeemable as a whole, or in part at the option of the Company at 105 and accrued dividend.

TRANSFER AGENTS: MONTREAL TRUST COMPANY

CAPITALIZATION

	Authorized	Issued
Thirty-Year First Mortgage Bonds (Series "A" 6%).	$1,000,000	$400,000
7% Preferred Stock (This issue)	500,000	325,000
Common Stock no par value	10,000 shares	5,000 shares

From a letter of Mr. J. G. G. Kerry, President of the Quinte and Trent Valley Power Company, Limited, we summarize as follows:

BUSINESS AND PROPERTY: Quinte and Trent Valley Power Company, Limited, incorporated by Letters Patent under the laws of the Province of Ontario, owns and operates hydro electric power plants at Frankford and Campbellford on the Trent River, Ontario. The present installations consist of 4,000 H.P. of generating machinery with a further 2,000 H.P. to be ultimately installed.

The Company's power output is being sold under favorable long term contracts to various industrial users, including the Canadian Paperboard Company, Limited, and the Frankford Electric Light Company, Limited, holding franchises from and contracts with the Municipality of Frankford.

The plants of the Company are located close to the boundary lines dividing the busy counties of Hastings, Northumberland and Peterborough in Ontario. Within a radius of 35 miles from Frankford are situated such manufacturing centres as Napanee, Point Anne, Belleville, Trenton, Brighton, Cobourg, Port Hope, Campbellford and Marmora. There can be little question as to the permanent value of cheaply developed power in this district of rapidly increasing demand.

EARNINGS: The net earnings from contracts now in force and available for preferred stock dividends, for the year ending June 30, 1927, will be approximately as follows:

Gross revenue	$75,000
Less operating expenses, taxes and bond interest	39,000
Available for Preferred Dividends	$36,000
Preferred Dividend requirements.	$22,750

These earnings should be substantially increased after the installation of the additional 2,000 h.p. of generating machinery.

The mills with which the Company holds contracts are all old-established industries whose products have been before the public for more than twenty years and their contracts with the Company represent to them very material reductions of cost as against the rates that they have previously been paying for power supply.

ASSETS: The Canadian Appraisal Company, Limited, under date of May 15th, 1926, valued the properties of the Company, based upon the cost of reproducing same new and after deducting depreciation for wear and tear and other reasons at.	$966,063.52
Add to this figure the Canadian Appraisal Company's valuation, as at July 15th, 1925, of the Frankford Electric Light Company, Limited, the whole capital stock of which is owned by the Quinte and Trent Valley Power Company, Limited	$45,893.66
	$1,011,957.18
And deduct First Mortgage bonds of	400,000.00
Leaves assets of	$611,957.18

Securing the issue of $325,000 Preferred stock, or over $188 for each share of Preferred.

PREFERENCE SHARES: The Preference shares are cumulative but non-participating. They do not confer voting rights nor qualify any person to be a Director of the Company, except that in case two years' dividends on the Preference shares are in arrears and unpaid, the holders of the Preference shares have the right, until all arrears are declared and paid, to elect annually a majority of the members of the Board of Directors and to appoint, subject to the provisions of the Ontario Companies' Act, the auditors of the Company.

Price: $99.00 per share and accrued dividend, to yield over 7%

JOHNSTON AND WARD

MEMBERS { MONTREAL STOCK EXCHANGE
TORONTO STOCK EXCHANGE

14 KING ST. EAST - TORONTO

HALIFAX SYDNEY MONCTON SHERBROOKE KINGSTON MONTREAL
LONDON, ONT. ST. JOHN'S, NFLD.

Private wires to all branches

The statements in this advertisement are not guaranteed but are based on information which we believe reliable and on which we acted in purchasing these securities.

INVESTMENTS SAFE IN CANADA, SAYS N. Z. BANKING MAN

Consider Opportunities in This Country Unequalled

From Our Own Correspondent

VANCOUVER.—No country in the world offers such a safe field for investment as Canada, in the opinion of Sir Harold Beauchamp, director of the Bank of New Zealand and for fifteen years chairman of that institution, who passed through here recently, on his way back to the Antipodes after a tour through Canada and Europe.

"Canadian securities have been regarded with disfavor in Great Britain ever since the Grand Trunk Pacific bondholders' failure to realize on their investment, but the hesitant attitude of Old Country people towards putting their money in Canadian ventures is wearing off," said Sir Harold. "I expect that during the next few years Canada will get more British money for industrial purposes than ever before. The United States is providing most of the industrial capital at present. but, while I believe that the flow of American capital to Canada is likely to continue indefinitely and that it is a good thing for the country, it is regrettable that British capital has been so scarce recently Canadians should look forward to an early reversal of this situation.

Lopsided Trade Balance

The unnecessary "lopsided position" of the trade balance between Canada and New Zealand was emphasized by Sir Harold, who, during his stay in Eastern Canada looked into the possibility of improving this condition. Several large woollen manufacturers are now looking into the advisability of sending representatives direct to New Zealand to purchase wool, instead of continuing the practice of buying through London, as is done at the present time. This would, he thinks, greatly improve the trade balance between the two countries and establish better commercial relations.

Sir Harold expects Canada will soon rank second in the world as a producer of gold. The mineral wealth. waterpower resources and timber of the Canadian Pacific Coast, he believes, will prove an important factor in future development of trans-Pacific trade.

Thunder Bay Paper Plans 400-ton Mill

If the plans of the Thunder Bay Paper Company materialize, Ontario will see a further realization of her policy of conserving timber limits for home industry. This policy, which was inaugurated some time ago, allows timber limits to be allotted by tender, only on the condition that the wood pulp is manufactured entirely within the province. The Thunder Bay Company, who have a present capacity of about 65 tons per day, are planning to increase their capitalization from $100,000 to $2,000,000, in order that they may erect a 400-ton mill.

About a year ago they obtained an additional limit of 1,555 square miles from the Ontario government. And this increase in capitalization is the first move towards an extension that has been planned for upwards of two years.

Poynter Declares Cut In Tariff Closed Baldwins

Sir Hugh Poynter, since 1919, head of Baldwin's Canadian Steel Corporation, sailed from Canada for England, Oct. 26. After visiting the home office of the company, he will go to Australia, to direct the distribution of Baldwin products in the Commonwealth and New Zealand, the largest market, outside the United Kingdom, of the English company.

Following the war, the company, controlled by Stanley Baldwin, now premier of Great Britain, undertook to supply Canada with tin plate from the plant of British Forgings, on Ashbridge's Bay, Toronto. After eighteen months' work, operations ceased owing to inadequate tariff protection, and have not been started since.

"Conditions," Sir Hugh said in an interview with Canadian Machinery, "have not been propitious. We had a 12½ per cent. tariff while we were in operation, but that has now been practically cut off. As I leave, the situation of the Canadian plant remains unchanged. Production might be started at any time if conditions so happened to make this possible. My work in Australia will be distribution, not production."

Imperial Trusts Acquires Land

Property at 17 Richmond St. West, Toronto, has been bought by the Imperial Trusts Co., of Canada. The company already occupies the property and has simply changed the lease into an annuity.

New Welland Canal Will Cost Canada $116,000,000

Third of a Series of Articles on

Canada's Inland Waterway

By KENNETH WILSON.

UP TILL the end of 1925, Canada had spent no less than $60,573,500 on the new Welland Ship Canal. On June 11th of this year an additional vote of $14,000,000 was made in the house of commons and according to the Hon. J. A. Robb, minister of finance, another $40,000,000 must be spent to complete the project. Thus, by 1930, Canada will be the possessor of a 25-foot navigable waterway to join Lake Erie and Lake Ontario and will have spent at least $116,000,000 to accomplish the feat. Will Canada be proud of this or will our investment of money and energy turn out to be a bitter disappointment?

IT WAS the initiative of private enterprise that first built a canal across the Welland peninsula. As early as 1815, William H. Merritt planned to bring water from the Niagara River to run his mill, and in order to finance the project he conceived the plan of a commercial waterway whereon traffic should pay toll and thus pay for its construction and upkeep. The original company was incorporated with a capitalization of 40,000 pounds sterling, and four years later, in 1824, work was definitely commenced. From that day to this, although the canal has been under government control since 1840, the waterway has been continuously improved, and it is no reflection on these early builders that the canal has always been insufficient to meet the demands of shipping. The canal now in use is really the third canal to be built. was completed in 1882 to a depth of 12 feet and was later deepened to 14 feet.

A Remarkable Undertaking

The new canal, which was to have been ready in 1917, at a cost of about $5.000.000, was originally proposed in 1911, but was delayed on account of the late war. The project calls for a ship canal with only seven locks, as against the twenty-five now in use. Each lock is to be 800-ft. long by 80-ft. wide, with a depth at extreme low water of 30-ft., the canal to be 25-ft. deep with provision for a 35-ft. channel when conditions should make it desirable. The route of the new canal runs from Port Colborne on Lake Erie, to Port Weller on Lake Ontario. The different in lake levels is 326 feet. and each of the seven locks will have a lift of 46½-ft. Facilities at both ends of the canal will be much better than at present. A new anchorage will be constructed at Port Colborne providing a safe anchorage in time of storm. The piers at Port Weller will be run out a mile and a half from the shore to insure the required 30-ft. depth. One of the most remarkable engineering undertakings in connection with the project has been the method employed in building the entrance piers. Huge concrete cribs were built at Port Dalhousie then floated to Port Weller and sunk. More than 50 of these cribs have to be built altogether.

Outlet Must Be Found

When the canal was originally suggested, very little was said about the purpose of the canal except that Sir Wilfred Laurier justified it by saying that grain would then be able to go through to the ocean vessels at Montreal without fear of competition from Oswego or Buffalo. To-day that arrangement will certainly not hold water for very obvious reasons.

The fastest and most efficient freighters in the world are those which now ply between Lake Erie and Lake Superior with their cargoes of ore and grain, but they have a draft of approximately 20 feet when fully loaded. At present, until the new canal is opened, these ships cannot enter Lake Ontario, nor can they navigate the 14-ft. draft down to Montreal. Suppose the new canal is opened, what will happen to the cargo from these ships?

Must Spend Millions in Terminals

As far as Canada is concerned there are only two alternatives. Either facilities must be provided for transhipment at Kingston, or else the St. Lawrence must be deepened below Lake Ontario so that the 20-ft. freighters may proceed to Montreal. Kingston has a natural harbor but if there is to be transhipment there must be elevator and harbor facilities which would cost at least $50,000,000 or $60,000,000 to construct. Already at Oswego there is a steel elevator which has a capacity of 2,000,000 bushels and although present freight rates are unfavorable to its use the new Welland canal may open up this American channel, if Canada does not provide her own facilities. If Canada is to reap the benefit of her Welland investment she must be prepared to develop either Kingston or the St. Lawrence.

The International Aspect

There is another phase of the Welland Ship Canal, which is equally important. and which may have a significant bearing on our future canal problems. The Welland Ship Canal is the last link to be forged in a national canal system built by Canada on Canadian soil. To-day, 15 years after the scheme was first mooted, our canals have passed into the realm of international affairs with all their attendant complications. The Welland Ship Canal is entirely on Canadian soil, and yet the scheme proposed by the International Joint Commission includes the canal in an international navigation scheme, the cost of which is to be borne according to the amount of use that each country makes of it. There is no need to dwell upon the significance of this proposal, except to say that responsibility rests heavily upon the shoulders of every Canadian to fully acquaint himself with all the facts as they develop in the next few years. In that way alone can we make sure that this undertaking is treated with the consideration and seriousness which it deserves.

Steel Mills Helped Big Paper Mill Growth

Iron and steel manufacturing companies, on the whole, however, are keeping fairly active, most notably so, of course, in the pulp and paper industry, and there is steadily expanding production in structural steel fabrication, machinery and electrical equipment. The growth of the last three, of course, is determined in Quebec, largely by the activity of the pulp and paper industry.

For instance, the chief engineer of a structural steel company stated to Canadian Machinery that he does not know of a paper mill in Quebec that has not used structural steel construction. This is made necessary by the vibration of the machinery, the need for secure anchorage for the machines, and the irregularity of the floor levels of the paper mills.

At the same time, expansion of the paper mills has called for greater water power developments, and here again, the structural steel men have prospered. It is said that one of the fabricators in Montreal has sufficient contracts ahead to keep him busy for two years.

Others who have profited through the growth of the paper business are the builders of power equipment and of paper machinery. One Montreal builder of paper machines has had orders this year for no less than eight machines, and those who are familiar with the size of one of these machines can appreciate the volume of work meant. The casting and the grinding of the rollers used by the machines is alone sufficient to keep a good-sized plant busy.

So at least this branch of the metal working industry in Montreal and the province of Quebec has been busy.

Developments during the past few days have shown that the paper industry is due to become larger than was ever anticipated. Amalgamations between huge interests are mooted, and the control of larger limits suggested.

Forecast $4 Dividend New Wayagamack Shares

A dividend rate of $1 per quarter, or $4 per annum, on the new Wayagamack Stock is forecast in Montreal.

The annual report will not make its appearance until late in December, and people close to the affairs of Wayagamack say that net earnings this year will be in the vicinity of $1.000.000, which is equal to $10 on the new shares.

Although there is nothing in the nature of official confirmation, there is a strong conviction that a big consolidation of pulp and paper interests in the St. Maurice Valley section of the industry is approaching; if this proves to be correct, it is believed that Wayagamack will play an important part, and shareholders can expect pretty fair treatment, as this year's report is expected to show net current assets of about $60 per share.

Ottawa River Co. May Expand

At a meeting of directors of Ottawa River Power Co., a subsidiary of the Ottawa & Hull Power Company, the question of installing two additional units of 25,000 horsepower each, bringing the installed capacity up to 75,000 horsepower, was discussed, and it is believed from the outlook for the sale of power that this will be necessary within a reasonable time.

A. J. Nesbitt, president of the company, stated that he was optimistic enough about the power situation to believe that this additional power would be sold within three or four years.

Following the meeting it was announced that L. C. Haskell has been appointed secretary of both the Ottawa & Hull Power Co., Ltd., and Ottawa River Power Co., to succeed K. S. Barnes, resigned, and C. Johnstone was appointed treasurer; H. S. Harrison, of Ottawa, being appointed assistant secretary of both companies.

Redeem Rutherford Mills Bonds

The Canada Trust Co., has paid about $50.000 to the bondholders of the Rutherford Mills, Blenheim, in its capacity as trustee. The mills were recently wiped out by fire, and an insurance adjustment of $73,000 was made. About $60,000 of this was received by the Canada Trust which is using the money, on the recommendation of the bondholders, to redeem the bonds to the extent of $50,000, plus accrued interest. Most of the bondholders are residents of Kent and Essex counties.

Canadian Western Lumber

The Canadian Western Lumber Co., which includes the Columbia River Lumber Co., reports sales of lumber for the month of August amounting to 17,828,988 feet, realizing $416,218. For the same month in 1925, the sales amounted to 13,738,503 feet, and realized $314,618.

International Milling Company

Balance Sheet and Profit and Loss Statement, August 31, 1926.

ASSETS

Cash	$ 623,681.67
Accounts Receivable, less Reserve.	956,140.89
Salesmen's Advances	12,747.78
Advances on Grain in Transit	254,648.99
Inventories on Grain, Flour, Feed, Packages and Supplies	3,493,768.79
Prepaid Insurance, Taxes, etc.	158,002.43
Memberships (at cost)	32,575.00
Total Quick Assets, as defined by terms of Preferred Stock Issue.	$ 5,531,565.55
Investments (at cost)	62,119.40
Real Estate, Buildings, Machinery and Equipment, at sound values per appraisal by American Appraisal Company at June 15, 1922, plus subsequent additions at cost	5,851,276.03
Total	$11,444,960.98

LIABILITIES

Current Liabilities:		
Notes Payable		$ 1,128,772.30
Accounts Payable		613,146.16
Accrued Taxes (including Federal and Canadian Income Taxes)		180,425.99
Accrued Interest, Commission, Pay Roll, etc		38,676.22
Accrued Preferred Stock Dividend (Paid September. 1926)		40,358.50
Total Current Liabilities		$ 2,001,379.17
6% First Mortgage Gold Bonds		472,500.00
Reserve Accounts:		
For Maintenance and Depreciation (Accumulated since Aug. 31, 1922)	$ 732,548.56	
Contingent Reserve in respect of possible liability for additional assessments of Federal Taxes for prior years	150,000.00	
For other Contingencies	30,146.91	
Insurance Funds	36,643.36	
		949,338.83
		$ 3,423,218.00
Capital Stock:		
7% Sinking Fund Cumulative First Preferred Stock, 22,827 sharer of the par value of $100.00 each.	$ 2,282,700.00	
Common Stock, 50,000 Shares of no par value (including 5,000 shares held as Treasury Stock)	2,500,000.00	
		4,782,700.00
Surplus		3,239,042.98
Contingent Liabilities:		
In respect of drafts on customers, $1,422,031.42, discounted at bank in the crdinary course of business.		
In respect of contracts for improvements not completed at August 31, 1926, $12,314.00 (Approximately).		
Total		$11,444,960.98

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED AUGUST 31, 1926.

Surplus, August 31, 1925		$ 2,747,916.34
Add Net Income for year (after making provision for Federal and Canadian Taxes on Profits and adjustment for taxes of prior years)		1,025,157.66
		$ 3,773,074.00
Deduct:		
Interest on Bonds for year	$ 29,694.52	
Preferred Stock Dividend at 7% per annum for the year ended August 31, 1926	161,836.50	
Common Stock Dividend—$6.85 per share, paid December 28, 1925	342,500.00	
		534,031.02
Surplus, August 31, 1926		$ 3,239,042.98

CERTIFICATE OF AUDITORS

We have audited the books and accounts of the International Milling Company for the year ended August 31, 1926, and certify that the foregoing Balance Sheet and Profit and Loss Statement have been prepared therefrom, and, in our opinion, correctly present the financial position of the Company at August 31, 1926, and the result of its operations for the year.

The sinking fund provisions under the terms of issue of the Preferred Stock and First Mortgage Bonds have been duly complied with.

Minneapolis, October 18, 1926.

PEAT, MARWICK, MITCHELL & CO.,
Accountants and Auditors.

$5 will bring you The Financial Post for the next twelve months.

--------Use This Coupon to Subscribe--------

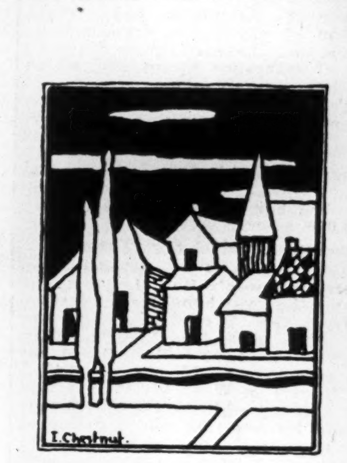
THE FINANCIAL POST,
143 University Avenue,
Toronto.

You may send me The Financial Post for one year (52 issues).
☐ I enclose $5.
☐ Draw on me for $5. (Indicate method of payment.)

Name ....
Occupation ....
Address ....

FOR CANADIANS AT HOME

FOR CANADIANS ABROAD



CANADIAN HOMES & GARDENS
November is Winter Homes Number

The magazine for November is devoted to the development of the home's interior — series of beautiful and unusual rooms are shown, as well as the latest developments in specialistic furnishing. For instance, the new lamps and cushions are a fascinating subject; the fine linens which suggest Thanksgiving elegance; the place of the refectory table not only in the dining room but throughout the house. Innumerable articles on the subjects that interest the lover of a beautiful home and the flower enthusiast.

Such articles as:—

THE PERSONALITY OF LIVING ROOMS
A portfolio of fine interiors and an interesting presentation of the furnishing question.

LIGHTING CHEER FOR WINTER DAYS
New Lamps and their Mission, opulently illustrated.

CLEVER CUSHIONS FOR COLOR
Delightful innovations in form, design and originality.

THE THANKSGIVING HOSTESS
New lights on an old occasion with a charming and especially set table in new appointments.

THE GROWING OF BULBS INDOORS
Advice for successful winter bloom of all kinds and hues.

GARDEN MAGIC AND ART
Katherine Hale combines a study of the arts of painting and gardening.

CANADIAN HOMES AND GARDENS,
153 University Avenue, Toronto, Ont.

Gentlemen:

Enclosed please find $3.00 for ONE YEAR'S subscription to Canadian Homes and Gardens, including the October Number.

Name .... City ....
Street .... Province ....